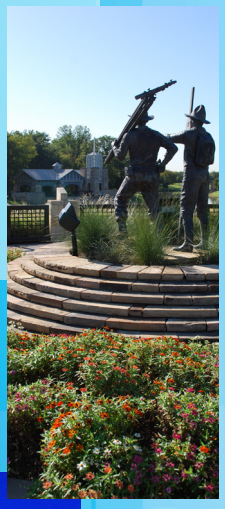
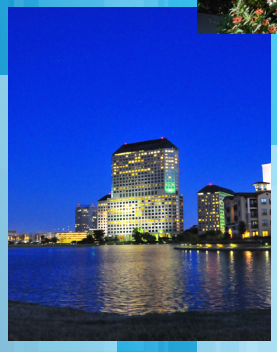
City of Irving, Texas

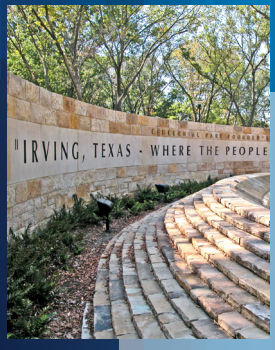
FISCAL YEAR 2017-18

Comprehensive Annual Financial Report

for the Fiscal Year ended
September 30, 2018







IRVING
TEXAS

CITY OF IRVING, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2018

Prepared by the
City of Irving, Texas
Financial Services Department

CITY OF IRVING, TEXAS

Table of Contents

	Page
Introductory Section (unaudited)	
Letter of Transmittal	i
Elected Officials and Administrative Officers	xi
Organizational Chart	xii
Certificate of Achievement	xiii
Financial Section	
Independent Auditor's Report	1
Management's Discussion and Analysis (unaudited)	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Balance Sheet	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Proprietary Funds Financial Statements:	
Statement of Net Position	26
Statement of Revenues, Expenses, and Changes in Net Position	27
Statement of Cash Flows	28
Fiduciary Funds Financial Statements:	
Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position	31
Notes to Basic Financial Statements	32

CITY OF IRVING, TEXAS

Table of Contents

	Page
Financial Section (continued)	
Required Supplementary Information (unaudited):	
Budgetary Comparison Schedule – General Fund	93
Budgetary Comparison Schedule – TIF	95
Supplemental Benefit Plan – Schedule of Changes in Net Pension Liability and Related Ratios	96
Supplemental Benefit Plan – Schedule of Contributions	97
Firemen's Relief and Retirement Fund – Schedule of Changes in Net Pension Liability and Related Ratios	98
Firemen's Relief and Retirement Fund – Schedule of Contributions	99
Texas Municipal Retirement System – Schedule of Changes in Net Pension Liability and Related Ratios	100
Texas Municipal Retirement System – Schedule of Contributions	101
Retiree Health Care Plan – Schedule of Changes in OPEB Liability and Related Ratios	102
TMRS Supplemental Death Benefit – Schedule of Changes in OPEB Liability and Related Ratios	103
Notes to Required Supplementary Information	104
Other Supplementary Information:	
Debt Service Fund	105
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget (GAAP Basis) and Actual	106
Non-major Governmental Funds:	107
Combining Balance Sheet	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual:	118
Criminal Justice Grant Fund	126
Irving Convention and Visitors Bureau Fund	127
Irving Arts Center Fund	128
Police Narcotics Fund	129
Historical Preservation Fund	130
Local Law Enforcement Block Grant Fund	131
Municipal Court Security Fees Fund	132
Texas Highway Safety Grant Fund	133
Miscellaneous Grants Fund	134
Convention Center Complex Fund	135
Entertainment Venue Fund	136
Museum Fund	137
HUD Grants Fund	138
Library Grant Fund	139
Miscellaneous Special Revenue Fund	140

CITY OF IRVING, TEXAS

Table of Contents

	Page
Other Supplementary Information (continued)	
Emergency Management Grant Fund	141
Red Light Enforcement Fund	142
Irving Housing Finance Corporation Fund	143
PEG Fee Fund	144
Internal Service Funds:	145
Combining Statement of Net Position	146
Combining Statement of Revenues, Expenses, and Changes in Net Position	147
Combining Statement of Cash Flows	148
Trust and Agency Funds:	151
Combining Statement of Plan Net Position – Pension Trust Funds	152
Statement of Changes in Plan Net Position – Pension Trust Funds	153
Statement of Changes in Assets and Liabilities – Agency Fund	154
Statistical Section (Unaudited):	155
Net Position by Component	156
Change in Net Position	158
Fund Balances of Governmental Funds	162
Changes in Fund Balances, Governmental Funds	164
Assessed Value and Estimated Actual Value of Taxable Property	166
Property Tax Rates – Direct and Overlapping	167
Principal Property Taxpayers	169
Property Tax Levies and Collections	170
Ratios of Outstanding Debt by Type	172
Ratios of Net General Bonded Debt	173
Computation of Direct and Overlapping Debt	174
Computation of Legal Debt Margin	175
Pledged-Revenue Coverage	176
Demographic and Economic Statistics	177
Principal Employers	179
Full-time Equivalent City Government Employees	180
Operating Indicators by Function	182
Capital Asset Statistics by Function	184

IRVING
TEXAS

January 31, 2019

Honorable Mayor and City Council
City of Irving
Irving, Texas

Dear Council Members:

The Comprehensive Annual Financial Report (CAFR) of the City of Irving, Texas, for the year ended September 30, 2018, is submitted herewith. Responsibility for the accuracy of the data, as well as the completeness and fairness of its presentation, including all disclosures, rests with the city. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of city operations on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the city's financial activities have been included.

These statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the CAFR. The city's MD&A can be found on **Pages 5-18**, immediately following the independent auditor's report.

CITY OF IRVING PROFILE

Ideally located between Dallas and Fort Worth, Irving is a city of enormous opportunity. Irving was founded in 1903 during the height of the railroad age. Julius Otto Schulze, a field engineer in charge of a survey crew, and Otis Brown, a rod man, learned that a 32-mile stretch of railroad was being laid from Fort Worth to Dallas. The pair purchased 80 acres of land that became the original town site of Irving. After deeding a land parcel to the railroad, the two men drew up the town plat on a wagon cloth, currently preserved in city archives.

Just as the city's original development centered around transportation, current development also centers on transportation. Irving's modern expansion and development have been the result of the outstanding multimodal transportation systems that include an extensive highway system, commuter and freight rail lines, and the Dallas/Fort Worth International Airport, one of the busiest airports in the world, located at the city's western boundary. The Dallas Area Rapid Transit (DART) Orange Line, completed in August 2014, provides a direct link between DFW Airport and downtown Dallas through Irving. The Orange Line includes stations at two major educational institutions and the Urban Center in Las Colinas, which stands as a major employment hub. Dallas Love Field is located 10 miles to the east of the city. In 2015, J.D. Power and Associates ranked Love Field the highest in traveler satisfaction (tied with Southwest Florida International

Airport) in the medium airport category. There is unrivaled access to and from the Dallas-Fort Worth region, North America and the world.

More than 85,400 households and 237,490 residents call Irving home. Irving's Las Colinas development area is home to the largest office park in North Texas. With more than 26 million square feet of office space and 8,500 businesses, Irving is a corporate powerhouse. The city's continued focus on economic development has made Irving a leading national and international business center. As a front-runner in the North Texas area for attracting and retaining top corporations, Irving boasts 53 Fortune 500 companies with a headquarters or corporate presence in the city, including iconic companies such as ExxonMobil, Kimberly-Clark, and Fluor. Significant nonprofit operations like Big Brothers Big Sisters and Mothers Against Drunk Driving also call Irving home.

The city operates under the Council-Manager form of government. A Mayor and eight council members are responsible for enacting ordinances and resolutions establishing policy and governance of the city. The City Manager is the Chief Executive Officer and is responsible for carrying out policies approved by the City Council.

ECONOMIC CONDITIONS AND OUTLOOK

Irving covers 67.9 square miles in northwestern Dallas County, with more than 15,000 acres dedicated to master-planned developments. These well-conceived Irving locations include Las Colinas, DFW Freeport, and Valley Ranch. Businesses recognize the many advantages offered by Irving's location and quality of life, and their employees benefit from Irving's accessibility, diverse range of housing, strong infrastructure, excellent schools, and exceptional recreational and health care facilities. To encourage development in Irving, six Tax Increment Finance (TIF) Districts have been established to help spur growth in undeveloped and redeveloping areas.

Irving is the nation's 93rd largest, Texas' 13th largest, and Dallas County's third largest city, according to the U.S. Census Bureau. Five major highways traverse the city, including Interstate Highway 635, State Highways 161, 114, and 183, and President George Bush Turnpike.

The city's General Obligation Bonds, Series 2018 received the rating of "AAA" from Standard & Poor's and "Aaa" from Moody's Investors Service.

Economic Development

The city's continued focus on economic development has made Irving a leading national and international business center. Irving's success in attracting and retaining top corporations has led 53 Fortune 500 companies to place headquarters or a corporate presence in the city. Executives of tech corporations noted that Irving's strong talent pool and college and university systems provide jobs programs and training initiatives they want and need for their employees.

Efficient building permitting processes are key to sound economic development. Exceptionally efficient processes also create a competitive advantage for business expansions and relocations. Irving's multidepartmental plan review team is a world-class operation, consistently surpassing national efficiency standards for new commercial plan reviews.

The city also promotes economic development by providing sales tax and property tax rebates as incentives when necessary. For FY 2018-19, the total amount of payments is projected to be $13.17 million, a $921,704 increase from the prior year. The amount of incentive is determined by the business delivering increases in taxable value, revenues generated, or job growth specified in the individual agreements. The City of Irving continues to focus on projects that will facilitate economic development.

Pioneer-Verizon/Hidden Ridge Development

Pioneer Natural Resources is expanding its presence in Irving by developing a $350 million office campus on a 37-acre site as part of Verizon's Hidden Ridge development. Adjacent to Verizon's existing regional office, Hidden Ridge will be a mixed-use development with a new DART commuter rail station connecting DFW Airport with downtown Dallas. The Hidden Ridge project will include offices, retail shops, apartments, town homes, and open space. The development has a projected value of over $1 billion when completed.

Planned Unit Development #6/Stadium Site

Planned Unit Development (PUD) #6 zoning was approved in 2015, establishing a new Transit Oriented Development District on about 1,000 acres surrounding the former stadium site. In 2016, the city created Tax Increment Reinvestment Zone (TIRZ) #6 with the same boundaries as the PUD to provide the necessary financial tools to assist in redevelopment.

The development will be served by two DART light rail stations. The first station is complete, and serves the University of Dallas. In July 2017, the city approved an agreement with TxDOT to build a $45 million signature bridge in the center of the district, connecting the former stadium site to SH 114 and the second DART light rail station, which will be completed with future development on the site. The bridge is critical for redevelopment of the approximately 218 acres north of SH 114, as it is the primary vehicular access for this area. The bridge is slated to be completed in 2019.

The major interchange in the area, between State Highway 183, State Highway 114, Loop 12/Interstate Highway 35E, Spur 482 and Trinity Parkway, and the Orange Line of the Dallas Area Rapid Transit Authority is designated by TxDOT as the Irving Diamond Interchange. The reconstruction project includes widening 6 to 8 lane freeway and two 3 lane frontage roads. TxDOT is advertising 5.9 miles of the project in 2019, to include portions of Loop 12, SH 183, SPUR 482 and SH 114.

The district will yield about 400 acres of developable property that will be a primary growth area for the City of Irving in the years to come.

Water Street

The Water Street Development, located in the center of the Las Colinas Urban Center, is a mixed-use project that includes luxury apartments and more than 60,000 square feet of retail shops and restaurants. The development is projected to add over $42 million in taxable value and may be eligible for a $14.4 million reimbursement from Tax Increment Financing (TIF) project funds. The project includes 127 additional needed public parking spaces, a plaza for special events, and public pathways with access to Lake Carolyn. A new Area Personal Transit (APT) Station at Gables Water Street has been added, connecting 600 E. Las Colinas Blvd., Bell Tower Station and Tower 909 Station on Lake Carolyn Parkway (next to the Las Colinas Urban Center Station).

Convention Center Hotel and Garage

Construction is nearing completion on the Westin branded Convention Center headquarters hotel, located between the Irving-Las Colinas Convention Center and the Toyota Music Factory. The Convention Center headquarters hotel is the final component in realizing the city's vision of creating an entertainment/convention district to bring visitors from across the region and nation to Irving. The more than $100 million project includes a privately funded hotel tower with 359 rooms, 16,000 square feet of meeting space owned by the city, and an 840-space parking garage owned by the city (with 275 to 300 spaces dedicated for use by the hotel). The Convention Center and hotel will work in coordination to book hotel rooms and meeting spaces. The hotel is scheduled to open in early 2019.

Toyota Music Factory

In 2016, construction began on the Toyota Music Factory. This 18-acre complex is adjacent to the Irving/Las Colinas Convention Center and the Convention Center hotel. The venue includes an 8,000-seat amphitheater, restaurants, additional entertainment venues, and retail space. The entertainment complex will attract patrons from across the North Texas region, as well as those in town attending conferences. Additionally, it will provide Irving residents and the business community a place to visit for dining and entertainment. Within the first 10 months of operation, the amphitheater was named as the ninth highest attended amphitheater in the world.

Other significant economic development activity in 2018 includes:

- **Frito-Lay:** The global snack food manufacturer and distributor expanded its operation in Irving by 10,000 square feet of additional office/warehouse space and adding 45 new jobs. The company will add $37 million in new business personal property tax value. The company will also retain over 400 current Irving employees.
- **US Bank:** The financial institution will expand its mortgage servicing operation in Irving by 23,000 square feet of additional office space and adding 115 new jobs. The company will add $2 million in new business personal property tax value. The company will also retain over 400 current Irving employees.
- **Pacific Dental:** The medical office administrative services company will invest approximately $6.6 million in building construction and $1.5 million in machinery and equipment. The company will add over 250 new jobs in Irving.
- **American Bottling Company:** The global distribution company will invest approximately $8.4 million in capital investment and retain 500 current Irving employees at an average salary of over $78,000.
- **Neiman Marcus:** The luxury department store retailer will invest approximately $2.8 million in building expansion and renovations, $11.7 million in machinery and equipment, and $4.8 million in other capital improvements. The company will retain over 500 jobs in Irving.
- **Gartner Inc.**: The world's leading research and advisory information technology company will expand its presence in Irving in 2019. There are about 50 Gartner employees in Irving already, and the company has plans to hire 800 more at an average salary of $75,000. Over the next few years, Gartner will invest more than $12 million in North Texas, occupying a building at SH 114 and SH 161.
- **Cognizant:** This leading Fortune 500 multinational corporation providing innovative information technology, consulting, and business process services announced plans to open a regional technology and service delivery center in Irving's Freeport Business Park in 2019. Cognizant has more than 3,600 employees currently located in Texas and plans to create 1,090 new jobs based out of the new Irving facility, with a capital investment of more than $8 million.

MAJOR INITIATIVES

Health Insurance

The city has been proactive in managing health costs and improving employee wellness. In the past two years, the city has made significant changes to the health insurance program to reduce costs and make the city's plans comparable to other benchmark entities through premium increases and plan design changes. The impact of these changes continues to be seen, as 12-month average costs per employee for both medical and prescription claims remain relatively stable.

For FY 2018-19, no changes in plan design or health care premiums were made. A $500 contribution to Health Savings Accounts for employees choosing the high-deductible health insurance plan is included in the adopted budget. A new service, the employee health clinic, is being added to the city's health insurance plans. Although proposed health insurance rates will remain the same for both the city and for employees and retirees, a two-pay-period health insurance premium holiday was included in the budget. Fund balances for the health insurance fund are projected to be over the targeted range of 30 to 50 percent of expenditures. The holiday for the two pay periods in December 2018 (monthly payment for retirees) will reduce contributions into the fund while maintaining targeted fund balances for unexpected claims and increased usage. In future years, the contribution rates and projected fund balance will be evaluated to determine if this strategy will continue to be used.

In addition to retirees having access to the employee health clinic, retirees 65 and older will also greatly benefit from a reduction in health insurance premiums while seeing a substantial increase in benefits provided. Post-65 retirees will transition to Aetna health care. Current premiums for retirees who elect both the medical and prescription coverage under the current United Healthcare plan have a monthly premium of $514.21, whereas for the same coverage the premiums would be $168.83 through Aetna. The decrease in monthly premiums translates into approximately $440,000 in annual savings for all post-65 retirees. The Aetna plan also offers richer benefits such as lower co-insurance, pharmacy, co-pays, labs, X-rays and ambulance services. In addition, a vision and hearing aid benefit would be included, which is currently not offered by United Healthcare.

Employee Health Clinic

The City of Irving has contracted with Care ATC to open an employer-sponsored health clinic for employees, dependents and retirees on the city's health insurance program. The clinic will be funded through the employee health fund, which is made up of city and employee contributions to health insurance. There will be no additional contributions needed from the city, employees, or retirees to fund this project. The clinic will be staffed by a medical doctor. The primary focus of the clinic will be to provide acute care (for illnesses or injuries such as colds, flu, sprains, and strains) and management of chronic conditions such as hypertension, high cholesterol, etc. In addition, there are some opportunities for consultations with specialty providers as needed and the ability to provide limited occupational medical services.

Service Enhancements

Police Public Safety Enhancements

A 2018 Police Department staffing study revealed significant sworn personnel shortages and anticipated staffing needs throughout the department. The Police Department proposal identified 64 position increases. The FY 2018-19 budget adds 32 of those positions in the current year, phased in by quarter. The remaining 32 positions are proposed to be added over four quarters of the following fiscal year.

Police Sergeant (2) - Best practices dictate that patrol operations should be closely supervised, but only four of the eight patrol shifts have three Sergeants assigned to them. On a shift with only two Sergeants, if one Sergeant takes approved leave, the remaining Sergeant is responsible for up to 18 Police Officers and a geographical territory of 30-40 square miles. At peak call times, Lieutenants are often called upon to fulfill the function of a first-line supervisor. Two Sergeant positions are included for FY 2018-19 with two more proposed to be filled in the first quarter of FY 2019-20.

Police Officer (20) - Despite relatively stable recruiting and hiring, and overall sworn staffing levels kept within the "attrition buffer," the department continues to operate with numerous functional vacancies in its specialized sections. A recent reorganization provided some relief, but many vacancies remain because the department's capacity to hire police officers has been effectively neutralized by continuous retirements. Ten Police Officer positions are to be hired in the second quarter, with five more in each of the third and fourth quarters of FY 2018-19. Five additional Police Officer positions are proposed to be added each quarter of FY 2019-20 for a total 40 officers in the next two years.

Dispatcher II (8) - There has not been an increase in the Communications personnel in years; however, overtime has steadily increased to cover staffing shortages. Additionally, programs such as Mandatory Overtime had to be implemented to cover shifts when voluntary overtime sign-ups went unfilled. Four Dispatcher II positions are budgeted to be filled at the beginning of FY 2018-19 with four more filled at midyear. The remaining eight positions are proposed to be filled in the same fashion for FY 2019-20.

Animal Care Technician (2) – Adding Animal Care Technicians will improve the level of customer service and animal care in the shelter. It will also allow much needed coverage when there is staff turnover or time off so a minimum level of animal care and staffing at the shelter can be maintained. Two positions are included in the FY 2018-19 budget with two additional positions proposed for FY 2019-20.

Fire Prevention Specialists (2)

The population of Irving has increased by 21 percent since 2000, and 881 new commercial structures have been constructed with 44.7 million additional square feet needing to be inspected on a consistent basis. In FY 2017-18, two Fire Prevention Specialists were approved in the budget to meet the increased demand for inspections from the growth of commercial and multifamily properties as well as the increased inspections of events at the Toyota Music Factory. Two more positions are funded in the FY 2018-19 budget, with two more proposed for FY 2019-20.

Code Enforcement Extended Hours

Code Enforcement will extend hours of operation during the week to 7 p.m. and on Saturdays from 8 a.m. to noon. Staffing during these hours will include a Code Enforcement Officer and Staff Assistant. Customers reporting concerns during these hours will be able to speak directly to

staff. Reported issues will be dispatched via radio to the Code Enforcement Officer in the field who will then respond, investigate, and initiate appropriate enforcement actions. An additional Multifamily Inspector position is also included in the budget to meet the increase in multifamily construction.

West Irving Library
The West Irving Library will expand its operating hours to match the 64 operating hours maintained by the South and Valley Ranch locations. The current 54-hour schedule restricts the library's ability to offer additional popular programs such as children's story times in the mornings, and evening programming. It is anticipated the expansion of 10 additional hours will increase the total number of visits to the branch.

North Texas Teen Book Festival Expansion
In order to meet the labor requirements for producing the North Texas Teen Book Festival, additional funding of $13,000 is included for employee overtime. This additional funding will allow employees more time to complete important tasks including signage and display production, souvenir creation and packing, and communications content (graphics, video and copywriting) for publicity and volunteer training.

Currently, the annual NTTBF is funded through several sources: Friends of the Library, grants, publishers' donations, and city funds. Volunteer parking reimbursement ($8 each) and Convention Center pre-day setup have been underfunded or unfunded. This increase will also provide an additional $30,000 to pay for these needs, and to improve capacity for the expected attendance of 15,000 in 2019 through the rentals of venues within walking distance of the Irving/Las Colinas Convention Center.

Irving Golf Club
The city is in the final stages of renovations to its municipal golf course. New turf grass on the tee boxes and greens for the 18-hole course and driving range; replacement of the Trinity River pumping facility, which allows for the reuse of water for irrigation; and a new irrigation system are approaching completion. A grand opening is planned for the summer of 2019.

IAM - Irving Archives and Museum
Construction of the Irving Archives and Museum, located on the first floor of the former Central Library building, commenced in the first quarter of FY 2018-19. Design of the museum exhibits is currently underway, and exhibit installation will begin once construction is complete. The Irving Archives and Museum will open in 2019. A construction budget of $3 million has been set aside in the Museum Fund, and the allocation of $600,000 in fund balance from the Museum Fund will help cover operations and maintenance costs once the museum is open. In order to provide comprehensive management of Irving's cultural programs and facilities, the Arts Center, Irving Archives and Museum, and all other city museums have been reorganized to form the Department of Arts and Culture.

Lot 16 - Main Street Art Gallery
The Irving Arts Center, in support of the Heritage Crossing Redevelopment Initiative, will repurpose a city-owned building on Main Street into a programmed art gallery to promote the arts downtown and create new activity. Additionally, the city has proposed the creation of an outdoor plaza adjacent to the Main Street Art Gallery for use not only by the gallery, but also residents as they visit and shop the downtown merchants.

CIP Design and Engineering Team

The addition of five new positions — one Senior Civil Engineer, one Civil Engineer, one Senior Engineering Technician, and two Engineering Technicians — in the Capital Improvement Program will provide a more cost-efficient and timely method to deliver high-quality public infrastructure improvements for Road to the Future, water and wastewater, and drainage improvements. A cost analysis indicates a savings of approximately $2.3 million over the first two years. These new positions will be funded from transfers of interest income from the Street Improvement Bond Fund, Water and Sewer System Bond Fund, and the MDU Non-Bond CIP Fund.

Commitment to Infrastructure

Vehicle and Equipment Replacement Fund (VERF)

During the recession, deferral of equipment replacement needs was one of several strategies used to balance budgets. For several years, replacements were held to a bare minimum, creating strains on operations as aging equipment broke down more frequently and required additional repairs and maintenance. Recent budgets have helped to reverse this trend, providing some additional replacement funds, but were insufficient to fully fund the city's vehicle replacement needs. For FY 2018-19, a dedicated funding source for the VERF has been created by a shift in the property tax rate from debt service to operations and maintenance to provide increased funding for vehicle and equipment replacement. The shift of just under 1 cent of the tax rate will provide $2.3 million in additional funding for vehicle purchases and increases in capital lease payments for all General Fund departments. When combined with the $2.5 million annual funding allocated to VERF in prior years, funds are sufficient to replace 85 vehicles and nine pieces of parks equipment with an estimated cost of $4.45 million. Two fire pumpers are also budgeted to be financed by tax notes at a cost of $766,000 each or $1.532 million. When combined with equipment purchases for the Water and Sewer System Fund of seven vehicles at a cost of $836,000 and the purchase of 13 vehicles and equipment in the Solid Waste Services Fund for a cost of $2.26 million, a total of $9.1 million is budgeted for vehicle and equipment purchases in FY 2018-19.

Additional Fleet Positions

The FY 2018-19 budget adds four automotive technicians. Two of these positions, a Section Chief and a Senior Technician, will be dedicated to Fire vehicles. The city currently has 84 pieces of specialty Fire apparatus, including pumpers, aerials, brush truck, ambulances, and other support apparatus. These units are equipped with multiple intricate systems and up to 17 separate subsystems that all interface with one another. Fleet services currently has two Fire Technicians who maintain 17 separate certifications annually while keeping current on all the new technologies and keeping all fleet repairs current. The cost of the additional personnel will be offset by decreases in outside repairs. A cost-benefit analysis indicates that it is more cost-effective for work on this type of specialty equipment to be performed in-house. An additional Section Chief and Senior Technician will be dedicated to Water and Sewer and Solid Waste Services operations, respectively. Those positions will be completely funded by the two enterprise funds.

Allocation of remaining City Facility Bond authorization

During the budget development process, departments identified almost $9.6 million in necessary repairs and upgrades to existing city facilities. CIP staff worked with the departments to establish a priority list. Utilizing the remaining general obligation bond authorization for existing city facilities, a five-year plan was developed to address $9.6 million in projects, including $1.76 million in FY 2018-19. Proposed projects in the next year include HVAC replacements at the Criminal Justice Center, six recreation centers,

and five other city buildings, as well as flooding mitigation at the Animal Care Campus and interior renovations and repairs at the Criminal Justice Center and Municipal Court.

FINANCIAL INFORMATION

Discussion of Controls – The city's management is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure adequate accounting data is compiled to allow for preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles.

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; 2) the reliability of financial records for preparing financial statements; and 3) accountability for assets. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgment by management. We believe the controls are appropriate for the level of risk and cost of control.

Information regarding general accounting policies can be found in the Notes to Basic Financial Statements beginning on **Page 33.**

OTHER INFORMATION

Independent Audit – An annual audit is required to be made of the financial statements of the City of Irving by an independent auditor. Weaver & Tidwell LLP was engaged to perform the audit for the fiscal year ended September 30, 2018. The audit opinion is included in this report.

Certificate of Achievement – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Irving for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017. This was the 34th consecutive year that the city has received this prestigious national award. To earn the Certificate of Achievement, the city published an easy-to-read and efficiently organized Comprehensive Annual Financial Report with contents that conformed to program standards. Such reports satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year. The city believes that the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements and thus is submitting it to GFOA to determine its eligibility for another certificate.

In addition, the city also received the GFOA's Award for Distinguished Budget Presentation for the 30th consecutive year for its annual appropriated budget dated October 1, 2017. To qualify for the Budget Award, the city's budget document was judged proficient in all categories.

Acknowledgments – Many people are responsible for the preparation of the report, and for the maintenance of the records upon which it is based. Appreciation is expressed to city employees throughout the organization, especially those staff members in Financial Services, who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

In closing, without the leadership and support of the Mayor and City Council, preparation of this report would not have been possible.

Respectfully submitted,

Chris Hillman
City Manager

Jeff Litchfield, CPA
Chief Financial Officer

CITY OF IRVING, TEXAS

CITY COUNCIL

Richard Stopfer, Mayor

John C. Danish, Mayor Pro-Tem

Oscar Ward, Deputy Mayor Pro-Tem

Allan E. Meagher, Councilmember

Phil Riddle, Councilmember

Dennis Webb, Councilmember

Wm. David Palmer, Councilmember

Kyle Taylor, Councilmember

Al Zapanta, Councilmember

* * * * * * *

Chris Hillman, City Manager

Shanae Jennings, City Secretary

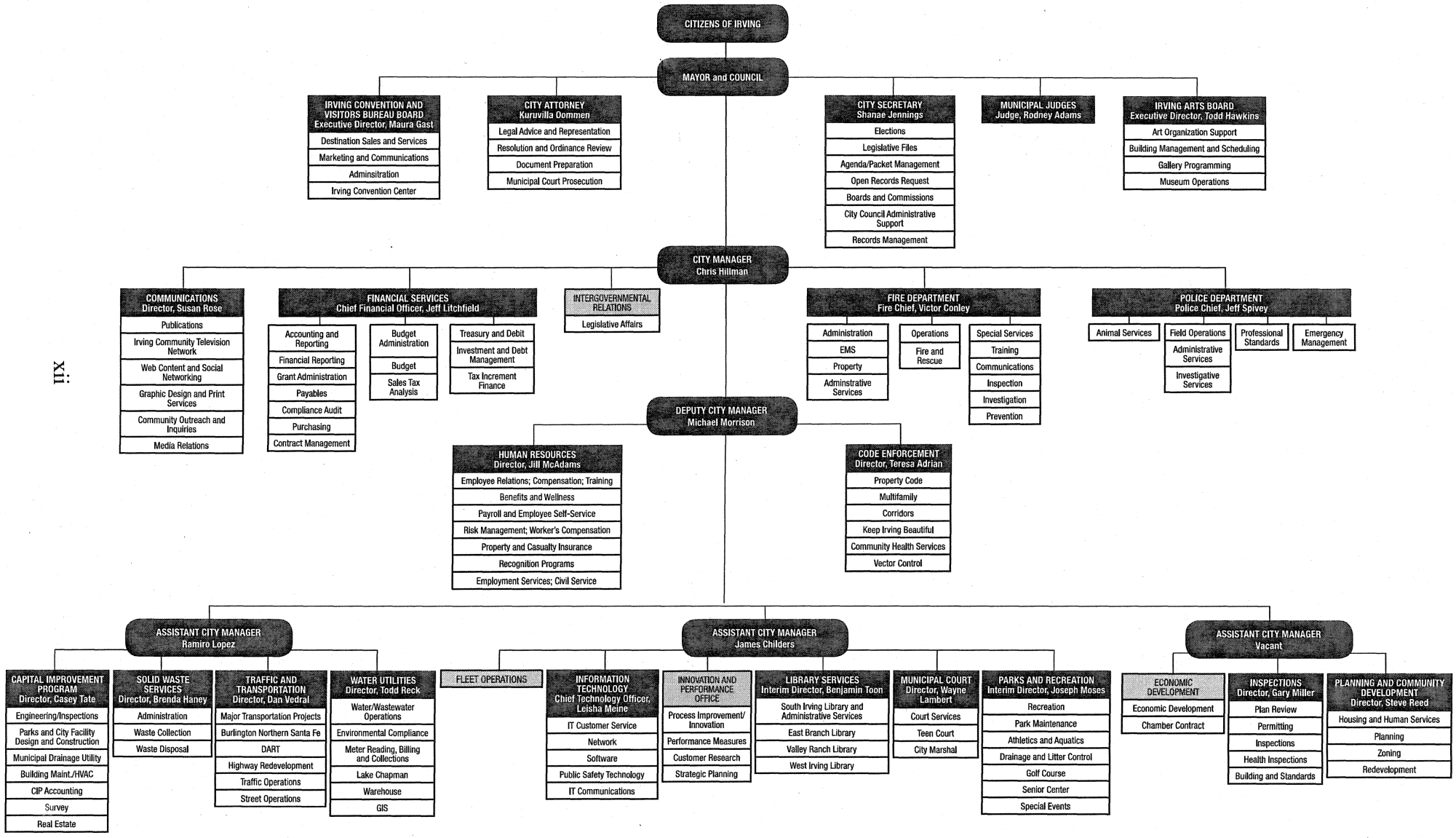
Kuruvilla Oommen, City Attorney

Jeff Litchfield, Chief Financial Officer

Regina H. Givens, Controller

Martin Avila, Accounting Manager

Organizational Chart



September 30, 2018

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Irving

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrill

Executive Director/CEO

IRVING
TEXAS

Independent Auditor's Report

To the Honorable Mayor and
Members of City Council
City of Irving, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Irving, Texas (the City) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970 | Fax:972.702.8321
CPAs AND ADVISORS | WEAVER.COM

The Honorable Mayor and
Members of City Council
City of Irving, Texas

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1(s) to the basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Beginning net position has been restated to reflect the change in accounting principle resulting from this statement. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable Mayor and
Members of City Council
City of Irving, Texas

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 31, 2019

IRVING
TEXAS

CITY OF IRVING, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2018

(Unaudited)

Our discussion and analysis of the City of Irving's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the accompanying letter of transmittal and the accompanying basic financial statements. We have also provided tables of comparative analyses of selected financial data.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by $977.7 million (net position). Of this amount, $796 million (81.4%) represents the net investment in capital assets. Net position restricted for specific purposes totaled $138 million (14%); the remaining $43.5 million (4.5%) is unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position increased by $155.7 million compared to $822 million last year. During the fiscal year over $90 million was contributed to the city by the developer of the Entertainment Center. Property tax revenues are higher over prior year by $7.1 million as a result of higher assessed property values in the current year; other significant revenue increase drivers were: sales taxes are higher by $1 million, hotel occupancy taxes are higher by $1.7 million, TIF receipts are higher by $1.3 million and investment income is higher by $3 million. Water and sewer service charges are higher over prior year by $16 million primarily attributable to less stringent water restrictions in the current year as well as an increase of 6% water rates.

- The governmental funds reported combined fund balance of $288 million, a decrease of $2 million in comparison with prior year. Approximately 22% of this amount ($63.5 million) is available for spending at the City's discretion (unassigned fund balance).

- The unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the general fund was $69.8 million, or approximately 32% of total general fund expenditure.

- The total outstanding long-term debt increased by $14 million primarily due to new debt issuances exceeding principal payments and debt refundings during the fiscal year.

- The Debt Service Fund fund balance was $20.4 million at year-end, which represents 41% of the annual debt service payments. Funds that are included in the Debt Service Fund can only be used for debt service.

UNDERSTANDING AND USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City of Irving's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The following table summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain.

Features of the City of Irving's Financial Statements

		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks.	Activities the City operates similar to private business, such as the water and sewer system	Instances in which the City is the trustee or agent for someone else's resources, such as the retirement plan for City employees
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses, and Changes in Fund Net Position • Statement of Cash Flows	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, liability, deferred outflows of resources and deferred inflows of resources information	All assets liabilities and deferred inflows and outflows of resources both financial and capital, and short-term and long-term	Current assets, liabilities and deferred inflows and outflows of resources that come due during the year or soon thereafter; no capital assets included	All assets liabilities, deferred inflows of resources and outflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; can include capital assets
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The government-wide statements are designed to provide the reader with a snapshot of the City of Irving's finances and activities as a whole. The statements are similar to those found in the annual reports of private-sector businesses.

The Statement of Net Position includes all of the City's assets, liabilities, deferred outflow of resources and deferred inflow of resources, using the accrual basis of accounting. The Statement of Activities accounts for all of the revenues and expenses for the year regardless of when cash is received or paid. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. Non-financial factors, such as changes in the property tax base and the condition of the infrastructure (roads, water and sewer lines, and buildings), should also be considered in order to assess the overall health of the City of Irving. The City's overall financial position is continuing to improve.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements of the City of Irving are divided into two categories:

- Governmental activities – Most of the City's basic services are included here, such as general government, police, fire, parks and recreation, community development, municipal court, animal services, library and public works. Property taxes, sales taxes, and gross receipts taxes finance most of these activities.
- Business-type activities – The City charges fees to customers to help cover the costs of providing water and sanitary sewer, solid waste and municipal drainage services.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required to be established by State law and by bond covenants. The City Council establishes other funds to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic

services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds statements that explain the relationships (or differences) between them.

The City of Irving presents information separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service and TIF Fund, which are considered to be major funds. Information from the remaining governmental funds is combined into a single, aggregate presentation. Individual fund data is provided later in the Comprehensive Annual Financial Report.

Proprietary funds – Services for which the City charges customers for the services it provides – whether to outside customers or to other units of the City – are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a type of proprietary fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for the individual enterprise funds which are Water and Sanitary Sewer, Solid Waste and Municipal Drainage. All enterprise funds are considered major funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities – such as the Garage and Equipment Replacement Fund, Computer Replacement Fund, and the Self-Insurance Fund.

The City as Trustee

The City is the trustee, or fiduciary, for its employees' Supplemental Benefit Plan and Voluntary Employee Beneficiary Association. It is also responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position was $978 million as of September 30, 2018 as shown in Table 1. Net position over time as noted earlier, may serve as a useful indicator of a government's financial position. The net position for the governmental activities was $521 million and business type activities was $457 million. Changes in net position is shown in Table 2 for both the City's governmental and business-type activities. Note that only the unrestricted net position are available for future expenses.

Table 1

Net Position

(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017*	2018	2017*	2018	2017*
Current and other assets	$ 361	$ 357	$ 167	$ 143	$ 528	$ 500
Capital assets	883	755	528	509	1,411	1,264
Total assets	1,244	1,112	695	652	1,939	1,764
Total deferred outflow of resources	50	72	6	11	56	83
Non-current liabilities outstanding	728	748	222	228	950	976
Other liabilities	23	24	19	18	42	42
Total liabilities	751	772	241	246	992	1,018
Total deferred inflow of resources	22	3	3	1	25	4
Net Position						
Net investment in capital assets	434	314	363	338	797	652
Restricted	126	129	12	12	138	141
Unrestricted	(39)	(34)	82	66	43	32
Total net position as previously reported	521	409	457	416	978	825
Net adjustments due to GASB 75*	-	(2)	-	(1)	-	(3)
Total net position	$ 521	$ 407	$ 457	$ 415	$ 978	$ 822

The largest portion of the City's net position (81.5%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, infrastructure and construction in progress), less any debt used to acquire those assets that is still outstanding. As the City uses these capital assets to provide service to citizens; consequently, these assets are not available for spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (14%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of $43 million may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City of Irving was able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its business-type activities. The same situation held true for the prior fiscal year. The negative unrestricted net position for the governmental

activities is primarily due to the impacts of the implementation of GASB 68, *Accounting and Financial Reporting for Pensions* and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and the recognition of the net pension and OPEB liability, as well as, the deferred inflows and outflows of resources based on actuarial valuations. The negative unrestricted net positon for governmental activities increased by $5 million due to the implementation of GASB 75 which includes a $2 million restatement to the prior year balance. The overall effect of GASB 68 and 75 to the governmental activities unrestricted net position is a net decrease of $122.5 million (includes the net pension and OPEB liability and its respective deferred inflows and outflows). Setting aside the actuarial impacts of GASB 68 and 75, the unrestricted net position for governmental activities would be a positive $83.5 million.

Governmental Activities

The City's program revenues for governmental activities had an increase of $81.7 million during the year primarily due to capital contributions from developers and other governmental entities. The general revenues reflected a net increase of $13 million compared to prior year. The net increase was primarily attributed to increases in property ($7.1 million) and sales ($1 million) taxes. The property tax certified roll for tax year 2017 was up $1.3 billion due primarily to increases in both commercial real property values and residential values. Commercial values increased by 6% or $658 million from the prior year. Residential values increased significantly by $555.4 million or 8.8%. Business personal property also increased by $72.6 million or 1.25%. The certified roll of $24.27 billion has increased for the past six tax years, and has surpassed the pre-recession peak of $18.45 billion in tax year 2008. The composition of Irving's tax base is 72% commercial, which is a much larger proportion of the total tax base than other large cities in the Metroplex. As a result, Irving's revenues fluctuate with the business cycle to a greater extent than cities with primarily residential property bases. The business-oriented character of Irving is also reflected in hotel tax revenues, which are primarily driven by business travel. Hotel Occupancy revenues which showed a sustained recovery in revenue since the recession have increased at a lower rate for FY 2017-18 with collections exceeding the prior year's amount by $471,264 or 1.8%.

Expenses for governmental activities increased by $8 million. This is primarily attributed to sixteen additional full-time positions in various departments, a 2% cost of living adjustment for general government employees and an average 3% market based increase for civil service employees. Additional expenses during the year include increased funding of $1.1 million for street reconstruction as part of the "Road to the Future" initiative, over $1.1 million in increased information technology network improvements, increased funding of $385,327 for capital equipment leases, and an increased allocation of $1.36 million to the city's TIF districts.

Business-type Activities

Business type activities had a net position increase of $41.6 million or 10.8% increase for FY18. The increase in net position for FY17 was $31 million. This is primarily attributed to 6% rate increase in 2017-18 for water and wastewater services and 5% in Solid Waste Services. A hot, dry summer also increased water and wastewater revenues.

Table 2
Changes in Net Position
(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017*	2018	2017*	2018	2017*
Revenues:						
Program revenues:						
Charges for services	$ 28,449	$ 30,675	$ 134,420	$ 127,216	$ 162,869	$ 157,891
Operating grants and contributions	15,980	14,406	-	-	15,980	14,406
Capital grants and contributions	90,592	8,262	11,378	7,286	101,970	15,547
General Revenues:						
Property taxes	143,327	136,148	-	-	143,327	136,148
Sales taxes	68,964	67,933	-	-	68,964	67,933
Other taxes and fees	49,585	47,350	-	-	49,585	47,350
Investment income	5,207	2,175	1,876	771	7,083	2,946
Miscellaneous	760	874	-	-	760	874
Gain on sale of assets	75	196	-	-	75	196
Total revenues	402,939	308,019	147,674	135,273	550,613	443,291
Expenses:						
General government	43,122	41,430	-	-	43,122	41,430
Police	66,527	65,431	-	-	66,527	65,431
Fire	53,450	52,978	-	-	53,450	52,978
Animal services	-	1,915	-	-	-	1,915
Parks and recreation	19,391	18,428	-	-	19,391	18,428
Municipal court	3,168	3,248	-	-	3,168	3,248
Library	7,850	8,218	-	-	7,850	8,218
Community development	40,167	35,600	-	-	40,167	35,600
Public works	36,592	32,658	-	-	36,592	32,658
Interest on long-term debt	19,602	21,929	-	5,979	19,602	27,908
Water and sanitary sewer	-	-	87,168	80,947	87,168	80,947
Solid waste	-	-	12,382	11,916	12,382	11,916
Municipal drainage	-	-	5,536	5,637	5,536	5,637
Total expenses	289,870	281,837	105,086	104,479	394,956	386,315
Increase (decrease) in net position before transfers	113,069	26,182	42,587	30,794	155,657	56,976
Transfers	1,011	(144)	(1,011)	144	-	-
Increase (decrease) in net position	114,080	26,038	41,577	30,938	155,657	56,976
Net position beginning of year	406,890	383,218	415,165	385,179	822,055	768,398
Net adjustments due to GASB 75*	-	(2,366)	-	(952)	-	(3,318)
Net position end of year	$ 520,969	$ 406,890	$ 456,742	$ 415,165	$ 977,712	$ 822,056

ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The governmental funds reported combined fund balances of $298 million, a decrease of $2.2 million in comparison with the prior year. Approximately 22% of this amount ($63.5 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form ($181,976), 2) restricted for particular purposes ($214 million), 3) committed for particular purposes ($650,000), or 4) assigned for particular purposes ($9.5 million).

The unassigned fund balance of the General Fund at the end of the year was $64 million; total fund balance was $70 million. The General Fund fund balance increased by $2.3 million. The increase is primarily due to the $7.7 million excess of revenues over expenditures being offset with net transfers out of $5.4 million primarily to fund capital projects, as well as, fund the equipment replacement and computer replacement funds. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 30% of total general fund expenditures, while total fund balance represents approximately 32% of that same amount.

The TIF fund, a major governmental fund, had a $12.5 million increase in fund balance during the current fiscal year primarily due to increased property values resulting in a 12% increase in tax revenues. This increase contributes to the $22.8 million of total revenues and is offset with $10.3 million in expenditures and transfers for TIF related projects.

The Debt Service Fund, the remaining major governmental fund, had a decrease in fund balance during the current year of $11.2 million, primarily due to $11 million held in reserves as part of the Combination Tax and Hotel Certificate of Obligations Bond, Series, 2009 disbursed to the escrow agent as part of the refunding of those bonds.

Proprietary Funds

The Proprietary Funds reported a combined net position on $456.7 million, an increase of $41 million in comparison to the prior year. Approximately 79% of this amount ($362.6 million) constitutes net investment in capital assets, 3% ($11.9 million) is restricted for debt service and 18% in unrestricted. This is primarily attributed to 6% rate increase in 2017-18 for water and wastewater services and 5% in Solid Waste Services. A hot, dry summer also increased water and wastewater revenues.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2018 the City Council adopted amendments to reduce the budget for the General Fund in the net amount of $9 million. An adjustment was made to reduce the revenue and expenditure budget so that property tax revenues allocated to the six TIF districts were recorded directly in the TIF funds rather than flowing through the General Fund. Revenues and expenditures were increased by $85,000 to recognize reimbursements from developers for construction materials testing. Unspent economic development incentive payments budget in the amount of $888,306

was reallocated and transferred to the Economic Development fund with no net change to General Fund expenditures. Unspent expenditures were transferred to the General Non-Bond CIP Fund for two projects in the amount of $260,000 for SCBA replacements and $30,000 for Oak Meadows Park project with no net change to General Fund expenditures.

Property Tax revenues for the current year were above the revised budget by approximately $280,247. Current year revenues were 100.65 percent of the adjusted budget, while penalties and interest were $6,886 above budget. Prior period collections were $381,903 below budget due to the settlement of prior year tax appraisal litigation resulting in refunds. Based on prior year's collection history, the estimated collection rate on the tax base was set at 98.25%. Actual collections for the year were 98.71% of the amount levied. As mentioned above, a budget adjustment was made during the year to account for property tax revenues allocated to the various TIF funds within those funds directly, reducing both revenues and expenditures in the General Fund by approximately $9.4 million.

Sales Tax revenues for FY 2017-18 were budgeted at $69.6 million. Actual revenues were below the budgeted amount by $938,773 or 1.35 percent. While tax revenues grew rapidly during the first years of the recovery, over the past three years revenue has continued to grow at a lower rate between 2.0 and 3.0 percent. While below budget, collections were 2.72 percent or $1.8 million above prior year actuals. Revenues were below budget projection primarily due to a major annual tax payer not reporting as expected in February and two significant negative audit adjustments in January and February.

Franchise Fee revenues were budgeted at $20.94 million, and actual revenues were $106,553 more at $21.05 million. The primary drivers of this increase were electric and natural gas franchises being slightly above estimates.

Permits and Inspections revenues for FY 2017-18 were budgeted at $5.6 million. Actual revenues were below budget by $163,022. The main driver of this decrease was building permit revenue at $273,744 below budget. This was partially offset by Plan Review fees being almost $32,000 above budget and other revenue line items.

Revenue from fees and licenses were $474,824 below the FY 2017-18 budget of $5.4 million. The primary driver was ambulance fees being $597,386 below budget with other revenues in the category slightly offsetting.

Interest income was $706,986 above budget as the Federal Reserve raised short-term rates three times by 25 basis points during the year. These increased rates were achieved without altering the composition of the city's investment portfolio or duration of the city's investments.

All other revenues combined were $179,867 below the revised budget of $20.87 million. General Fund revenues decreased from the revised budget primarily due to sales tax and ambulance fees being below budget, as described above. The overall revenue variance was just over $662,000, or approximately a third of a percent.

General Fund expenditures totaled $216.4 million, slightly less than $6 million below the revised budget of $222.35 million. Salary and benefit savings were less than a third of a percent below the revised budget, with a net savings to the General Fund of $477,700. Economic development activities came in $2.1 million below budget, including $1 million for economic development projects which was not spent during the

year. Land purchases for economic development were budgeted at $887,065 to partially reserve funds for a payment in the future fiscal year and were not expended in the current year. Outside services were $687,500 below budget across all general fund departments. Supplies were $684,000 below budget. Equipment and Building Maintenance accounts were $556,710 under budget. Other operating and capital savings accounted for the remaining savings, as expenditure budgets are prudently over-estimated.

During FY 2017-18, budgetary policy remained conservative and departments were asked to continue to identify cost saving measures. A focus during the year and for future budget planning has been to allocate revenue increases to increase funding for equipment and infrastructure replacement. In the next budget year, $3.1 million in savings from temporary vacancies was budgeted, but no authorized positions are held vacant.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2018, the City had $1.4 billion invested in a broad range of capital assets including buildings, police and fire vehicles and equipment, park facilities, roads, bridges and water and sanitary sewer lines (see table 3). The total net increase (including additions and deductions) over the prior year was $128.4 million (17%) for governmental activities and $18.5 million (3.6%) in business type activities.

Table 3
Capital Assets at Year End
In thousands

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	$ 108,783	$ 105,785	$ 8,627	$ 8,555	$ 117,410	$ 114,340
Buildings and improvements	398,816	273,633	-	-	398,816	273,633
Equipment	126,275	135,398	-	-	126,275	135,398
Construction in progress	97,783	97,889	45,859	40,466	143,642	138,355
Infrastructure	508,144	487,797	766,397	734,757	1,274,541	1,222,554
Other	2,286	2,174	20,940	20,940	23,226	23,114
Total capital assets	1,242,087	1,102,676	841,823	804,718	2,083,910	1,907,394
Less: accumulated depreciation	358,965	347,969	313,920	295,333	672,885	643,302
Totals	$ 883,122	$ 754,707	$ 527,903	$ 509,385	$ 1,411,025	$ 1,264,092

This year's major additions include (in millions):

Entertainment Center - ARK	$124.1
Embassy Channel and Middle Delaware Creek	11.5
Royal Ridge Elevated Water Storage Tank	3.8
Stafford, Finley, Cranston Water &Wastewater Improvements	3.4
Royal Ridge North Supply Waterline	2.6

See Notes (1) (h) and (5) for more detailed information regarding capital asset activity.

Debt

At year-end, the City had $751 million in outstanding debt, an increase of $14 million compared to $737 million last year, as shown in Table 4 below.

Table 4
Outstanding Debt, at Year-End
(In Millions)

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
General obligation bonds and Tax notes (backed by the City)	$ 247	$ 221	$	$ -	$ 247	$ 221
Revenue bonds - (backed by specific tax and fee revenues)	263	287	177	178	440	465
Net premium	30	16	11	12	41	28
Other obligations	7	7		-	7	7
Water supply obligation	-	-	16	16	16	16
Totals	$ 547	$ 531	$ 204	$ 206	$ 751	$ 737

The City's general obligation debt continues to be rated Aaa by Moody's Investor Services and AAA by Standard and Poor's. The outstanding debt reported in governmental activities increased by $16 million during the fiscal year due to new debt and refunding issuances exceeding principal payments and refunded debt. The City issued $40.7 million in General Obligation bonds for various capital projects, $5.4 million in Tax Notes for purchasing and replacing information technology equipment, and $107.6 million in Combination Tax and Hotel Occupancy Tax Revenue Refunding Bonds to redeem $125.3 million of Combination Tax and Hotel Occupancy Tax Revenue Certificates of Obligations, Series 2009. As part of the refunding, an additional $11.1 million from prior debt service reserve funds and $3.3 million available from debt service funds were also used in redeeming the 2009 series bonds. City paid $26.6 million in principal debt payments. Net Premiums in governmental activities increased by $14 million due to $16.9 million received from new debt issuance offset by current year amortization of $2.4 million.

The outstanding debt reported in the business type activities decreased by $2 million during the fiscal year due to new debt issuances being less than the debt principal payments. $15.3 million in Waterworks & Sewer New Lien Revenue for certain improvements and extensions to the City's Waterworks and Sewer System. Debt principal payments made during the year was $16 million. Net premiums decreased by $1 million due to $1 million received from new debt issuance offset by $2 million in current year amortization.

Debt information is included in sections (1) (k) and (7) of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

General Fund revenues for FY 2018-19 are budgeted at $234.8 million, which is almost $11.7 million higher than the adjusted FY 2017-18 level. FY 2018-19 includes increased property tax due to an increase in valuation of $1.75 billion to $26 billion while maintaining the tax rate of $0.5941. Sales tax revenue is projected to increase to $69.96 million based on a one percent increase from FY 2017-18 estimates available after three quarters of collections. Other revenues were budgeted based on trend analysis and a five year financial forecast with conservative growth projections to reflect the impact of increasing economic activity and new residential development upon the revenue streams of the General Fund. Reductions in revenue from fines, fees, and permits have partially offset projected increases in property taxes, interest income and other fees.

The certified tax roll as of January 1, 2018 (affecting the 2018-19 fiscal year) is up $1.75 billion from the prior year. This increase is due to increases in commercial real property assessments of $1.0 billion or 9.3 percent and residential property increases of $785.6 million or 12.5 percent. Business personal property values decreased by $49.8 million or 0.86 percent. New construction in the amount of $590 million was added to the tax roll for tax year 2018. The tax rate was maintained at a rate of $0.5941 per $100 valuation. This amount will generate approximately $8.26 million more ad valorem tax revenues for the General Fund than in FY 2017-18.

Sales tax revenues have shown steady, robust growth since the end of the recession, exceeding the previous high in FY 2012-13 and increasing between eight and ten percent for fiscal years 2013 to 2015. Over the last three years, the rate of increase has slowed to just over two percent per year. In FY 2017-18 sales tax collections were reduced by two large audit adjustments and a significant reduction in annual sales tax payments by a top 20 taxpayer. Sales tax revenue for FY 2018-19 was projected to increase by 1 percent over the revised estimate for FY 2017-18 to $69.89 million.

For FY 2018-19 total franchise fees have been projected to increase slightly from $20.87 million in FY 2017-18 to $21.15 million. A steadily improving local economy, including new commercial and residential development, is translating to modest increases in franchise fee revenues, which account for 9 percent of the General Fund budget.

Interest income has had a substantial recovery from recessionary lows as the Federal Reserve has continued periodic small increases of short-term interest rates from historic lows below 1%. Interest income for FY 2018-19 is budgeted at $1.35 million, an increase of over $800,000 since FY 2016-17. Federal Reserve policy should result in higher interest rates over the next year. However, the timing and degree of these changes are uncertain, so no assumptions were made to increase the budget above the prior year projected revenue.

Irving continues to benefit from a growing economy in the North Central Texas region. New commercial and residential construction continues to grow the tax base and increase economic activity in the city, while presenting challenges to provide municipal services to a larger customer base. Property values have increased by over $8.7 billion in the past seven years to $26 billion. Based on economic indicators and the city's long-term financial forecast, budget staff projects gradual but continued growth in most revenue categories. These revenue increases are projected to fund operational and staffing increases necessary to provide current service levels to a growing residential and business community.

City management worked with City Council to develop a fifteen year long-range financial plan that will give policy guidance and identify funding sources for future costs, including planned service enhancements. This plan provides a framework for discussions of city policy that will guide the development of the budget for the next several years. Revenues and expenditures are reviewed monthly and the overall economic condition of the city is balanced against departmental and resident requests in an effort to maintain existing levels of service and increase customer satisfaction while maintaining a structurally balanced budget. The plan was presented to City Council in FY 2016.

General Fund expenditures budgeted for FY 2018-19 are $234.77 million, reflecting a 5.2 percent increase from the FY 2017-18 adjusted budget. The pass-through of property tax revenues to the six TIF districts was reduced from General Fund revenues and expenditures during the FY 2017-18 year and comparisons here are adjusted to reflect this and provide an "apples to apples" comparison of changes. Increased funding of equipment replacement is a key component of the budget as almost one cent of the property tax rate was shifted from debt service to operations and maintenance to provide dedicated funding of an additional $2.27 million for vehicle and equipment replacement. The total General Fund transfer to VERF, including lease payments, is approximately $5.84 million. After two years of pay-as-you-go funding for the "Road to the Future" street reconstruction program, the annual amount of $2.2 million was shifted to debt service transfers to help support increased debt-financed street projects. Additional funding has been maintained for information technology improvements, including operating and capital upgrades in preparation for the replacement of the ERP (Enterprise Resource Planning) and utility billing systems. Fifty-five full time and fourteen part time positions across multiple General Fund departments were added to address the most critical staffing needs. The largest group of positions is the implementation of phase 1 of the Police staffing plan, which will add 32 positions, including Police Officers Sergeants, and Dispatchers which will be phased in quarterly during the year. Phase 2 is proposed to add a similar amount in FY 2019-20. Other positions provide staffing for increased hours at the West Irving Library and for night and weekend hours for Code Enforcement. The largest portion of General Fund expenditures are salaries and benefits at 70 percent of budget. The budget for FY 2018-19 includes full year funding for salary adjustments adopted during FY 2017-18 as well as partial-year funding for a 2 percent cost of living adjustment for general government employees and a market-based salary adjustment for Police and Fire civil service employees that will be implemented in the second quarter of the fiscal year. Merit and step plan costs for FY 2018-19 were projected at $1.4 million. Other staffing changes had a net cost of $923,000 and included the transfer of three positions to the General Fund from the Municipal Drainage Utility (MDU) Fund. Base health insurance costs decreased by $580,000 due to a two pay period insurance holiday designed to reduce contributions into the insurance fund while maintaining fund balance targets for unexpected claims and increased usage. The projected General Fund cost of employee separation payments decreased by $100,000 as the cost of long-tenured employees retiring or leaving city employment

stabilized. Other non-personnel related operating expenses increased by $5.2 million, including the increased transfer to the VERF of $2.27 million, almost $1 million in increased economic development incentive payments, almost $830,000 in capital and operational costs associated with supplemental budget requests, full year operating expenses for the Northlake Natatorium, and over $775,000 in increased maintenance and outside services contracts.

In the FY 2018-19 budget, rate increases of 2.5% were adopted for water and wastewater service. The adopted budget of approximately $108.5 million is projected to provide funding for all operating and capital expenditures while maintaining sufficient coverage to meet debt service covenants. The primary increase in the budget is a pass through cost of $3 million for sewer treatment from the Trinity River Authority (TRA). The TRA has implemented fee increases in the past five years in order to finance their own capital program.

The Solid Waste Services Fund is also an enterprise fund of the city, responsible for all operating costs associated with residential refuse collection and operation of the city's municipal landfill. Solid Waste Services continues to face several challenges, including risk management, health and safety issues; equipment replacement needs; and landfill development needs. The FY 2018-19 budget maintains the current service delivery model, with slight increases in operating costs and a transfer of $1.16 million to establish a solid waste non-bond capital project fund. There were no increases in solid waste rates or associated fees. The total budget for the Solid Waste Services Fund for FY 2018-19 is approximately $16.2 million.

The Municipal Drainage Utility (MDU) Fund is the city's third enterprise fund. Rates for the MDU were unchanged and the FY 2018-19 budget of $5.27 million is comparable to the previous year, with slightly lower personnel costs offset by increases in infrastructure maintenance and capital project funding.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Financial Services Department at City of Irving, 825 W. Irving Blvd. Irving, TX 75060 or at 972-721-2401.

* * * *

City of Irving, Texas
Statement of Net Position
September 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 160,435,874	$ 40,482,265	$ 200,918,139
Investments	168,641,870	54,444,947	223,086,817
Receivables (net of allowance for doubtful accounts)	30,440,163	21,721,527	52,161,690
Due from other governments	1,153,494	-	1,153,494
Inventories	173,823	572,289	746,112
Prepaids	181,976	10,504	192,480
Restricted assets:			
Cash and cash equivalents	-	22,470,306	22,470,306
Investments	-	27,194,550	27,194,550
Accrued interest receivable	-	184,150	184,150
Capital assets:			
Non-depreciable	208,851,895	54,486,368	263,338,263
Depreciable (net)	674,269,740	473,416,461	1,147,686,201
Total assets	1,244,148,835	694,983,367	1,939,132,202
Deferred outflows of resources			
Deferred charge on refundings	10,827,170	2,553,439	13,380,609
Deferred outflow from pensions	38,301,889	3,251,402	41,553,291
Deferred outflow from OPEB	882,693	151,378	1,034,071
Total deferred outflow of resources	50,011,752	5,956,219	55,967,971
Liabilities:			
Accounts payable	10,776,340	7,625,357	18,401,697
Accrued wages & benefits	5,524,854	836,461	6,361,315
Accrued interest payable	2,054,314	1,426,473	3,480,787
Customer deposits	-	8,747,626	8,747,626
Unearned revenue	900,647	-	900,647
Retainage payable	2,210,520	861,461	3,071,981
Sundry payables	1,768,078	-	1,768,078
Non-current liabilities:			
Due within one year:			
Compensated absences	1,961,583	69,615	2,031,198
Lease payable	1,548,900	-	1,548,900
Bonds payable (includes bond premium)	30,708,341	18,489,181	49,197,522
Water supply obligations	-	366,816	366,816
Other obligations	976,038	-	976,038
Liability for unpaid claims	4,654,012	-	4,654,012
Due in more than one year:			
OPEB liability	13,575,369	2,335,830	15,911,199
Net pension liability	126,018,452	8,688,434	134,706,886
Compensated absences	30,731,460	1,090,626	31,822,086
Lease payable	4,160,837	-	4,160,837
Landfill closure postclosure liability	-	5,660,266	5,660,266
Bonds payable (includes bond premium)	509,700,495	169,431,710	679,132,205
Water supply obligations	-	15,836,298	15,836,298
Liability for unpaid claims	3,805,457	-	3,805,457
Total liabilities	751,075,697	241,466,154	992,541,851
Deferred inflow of resources			
Deferred inflow from pensions	22,115,440	2,730,737	24,846,177
Total deferred inflow of resources	22,115,440	2,730,737	24,846,177
Net position:			
Net investment in capital assets	433,548,845	362,612,284	796,161,129
Restricted for:			
Capital projects	127,436	-	127,436
Debt service	18,902,539	11,895,226	30,797,765
Community development projects	100,428,418	-	100,428,418
Other special purposes	6,710,768	-	6,710,768
Unrestricted	(38,748,556)	82,235,185	43,486,629
Total net position	$ 520,969,450	$ 456,742,695	$ 977,712,145

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Activities
Year Ended September 30, 2018

Function/Program Activities	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions
Primary Government:				
Governmental activities:				
General government	$ 43,121,990	$ 5,235,299	$ -	$ -
Police	66,527,473	6,738,479	1,177,167	-
Fire	53,449,850	5,693,940	1,377	-
Animal services	-	47,337	-	-
Parks and recreation	19,391,273	1,561,633	137,259	-
Municipal court	3,167,737	5,833,736	-	-
Library	7,850,290	276,981	52,660	-
Community development	40,167,465	2,195,593	14,611,982	84,782,056
Public works	36,591,927	865,570	-	5,809,391
Interest on long-term debt	19,601,966	-	-	-
Total governmental activites	289,869,971	28,448,568	15,980,445	90,591,447
Business-type activities:				
Water and sanitary sewer	87,167,528	112,051,868	-	6,195,602
Solid waste	12,381,561	17,062,897	-	1,628,701
Municipal drainage	5,536,479	5,305,713	-	3,553,573
Total business-type activities	105,085,568	134,420,478	-	11,377,876
Total primary government	$ 394,955,539	$ 162,869,046	$ 15,980,445	$ 101,969,323
General revenues:				
Taxes:				
Property taxes				
Sales taxes				
Franchise fees				
Hotel / motel occupancy taxes				
Other taxes and fees				
Investment income				
Miscellaneous				
Gain on sale of assets				
Transfers (net)				
Total general revenues and transfers				
Change in net position				
Net position, beg of year as restated (see note 1(s))				
Net position, end of year				

(continued)

See accompanying notes to basic financial statements

Net (Expense) revenue and changes in net position		
Governmental Activities	Business-type Activities	Total
$ (37,886,691)	$	$ (37,886,691)
(58,611,827)		(58,611,827)
(47,754,533)		(47,754,533)
47,337		47,337
(17,692,381)		(17,692,381)
2,665,999		2,665,999
(7,520,649)		(7,520,649)
61,422,166		61,422,166
(29,916,966)		(29,916,966)
(19,601,966)		(19,601,966)
(154,849,511)		(154,849,511)
-	31,079,942	31,079,942
-	6,310,037	6,310,037
-	3,322,807	3,322,807
-	40,712,786	40,712,786
$ (154,849,511)	$ 40,712,786	$ (114,136,725)
143,327,357	-	143,327,357
68,964,196	-	68,964,196
21,426,401	-	21,426,401
26,151,358	-	26,151,358
2,008,287	-	2,008,287
5,206,766	1,876,003	7,082,769
760,156	-	760,156
74,571	-	74,571
1,011,382	(1,011,382)	-
268,930,474	864,621	269,795,095
114,080,963	41,577,407	155,658,370
406,888,487	415,165,288	822,053,775
$ 520,969,450	$ 456,742,695	$ 977,712,145

(concluded)

City of Irving, Texas
Balance Sheet
Governmental Funds
September 30, 2018

	General	Debt service	TIF	Nonmajor governmental funds	Total governmental funds
Assets:					
Cash and cash equivalents	$ 11,193,782	$ 482,272	$ 69,830,314	$ 67,501,023	$ 149,007,391
Investments	47,280,820	19,802,043	122,401	62,699,581	129,904,845
Receivables (net of allowance for doubtful accounts):					
Taxes	13,503,048	502,678	-	6,857,863	20,863,589
Franchise fees	5,045,456	-	-	-	5,045,456
Accrued interest	478,182	169,860	113,793	378,001	1,139,836
Accounts receivable	2,376,190	-	-	725,613	3,101,803
Due from other funds	1,110,508	-	-	-	1,110,508
Due from other governments	-	-	-	1,153,494	1,153,494
Prepaids	179,476	-	-	2,500	181,976
Total Assets	$ 81,167,462	$ 20,956,853	$ 70,066,508	$ 139,318,075	$ 311,508,898
Liabilities:					
Accounts payable	3,167,895	-	68,032	6,831,497	10,067,424
Accrued wages and benefits	5,086,446	-	-	363,498	5,449,944
Due to other funds	-	-	-	1,110,508	1,110,508
Retainage payable	-	-	-	2,081,192	2,081,192
Sundry payables	1,121,195	-	-	630,350	1,751,545
Unearned revenue	-	-	-	900,647	900,647
Total liabilities	9,375,536	-	68,032	11,917,692	21,361,260
Deferred inflows of resources					
Unavailable revenue	1,767,543	502,678	-	-	2,270,221
Total deferred inflows of resources	1,767,543	502,678	-	-	2,270,221
Fund Balances:					
Non-spendable:					
Prepaids	179,476	-	-	2,500	181,976
Restricted for:					
Retirement of general obligation bonds and tax notes	-	10,894,175	-	-	10,894,175
Retirement of special revenue bonds	-	6,971,877	-	-	6,971,877
Retirement of revenue bonds	-	2,588,123	-	-	2,588,123
Police	-	-	-	1,532,281	1,532,281
Parks and recreation	-	-	-	3,674,106	3,674,106
Community development	-	-	69,998,476	35,075,200	105,073,676
Public works	-	-	-	72,569,743	72,569,743
Other purposes	-	-	-	10,747,994	10,747,994
Committed to:					
Economic development	650,000	-	-	-	650,000
Assigned to:					
Parks and recreation	278,721	-	-	1,412,360	1,691,081
Community development	3,411,046	-	-	-	3,411,046
Public works	-	-	-	2,559,902	2,559,902
Other capital projects	-	-	-	441,362	441,362
Other purposes	1,365,788	-	-	-	1,365,788
Unassigned	64,139,352	-	-	(615,065)	63,524,287
Total fund balances	70,024,383	20,454,175	69,998,476	127,400,383	287,877,417
Total liabilities, deferred inflows and fund balances	$ 81,167,462	$ 20,956,853	$ 70,066,508	$ 139,318,075	$ 311,508,898

See accompanying notes to basic financial statements

City of Irving, Texas
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2018

Total fund balances--governmental funds		$ 287,877,417
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Equipment	$ 64,848,930	
Land	108,783,472	
Buildings and improvements	398,667,389	
Other capital assets	2,285,665	
Infrastructure assets	507,878,595	
Construction in progress	96,544,607	
Accumulated depreciation	(313,844,956)	
Total capital assets		865,163,702
Some revenues in the governmental funds are unavailable because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues are recognized when earned.		2,270,221
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, and computer replacement, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		52,384,573
Some long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	$ 509,890,000	
Bond premium	30,518,836	
Deferred charge in refunding	(10,827,170)	
Accrued interest on bonds	2,054,314	
Payable to NCTCOG	976,038	
Compensated absences	32,693,043	
Total long-term liabilities		(565,305,061)
Net pension liability and deferred inflows and outflows from pensions plans determined as of measurement date.		(108,877,497)
OPEB liability and deferred inflows and outfows from OPEB plans determined as of measurement date.		(12,543,905)
Net position of governmental activities.		$ 520,969,450

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2018

	General	Debt service	TIF	Nonmajor governmental funds	Total governmental funds
Revenues:					
Taxes	$ 191,812,938	$ 30,922,273	$ 10,116,652	$ 28,537,082	$ 261,388,945
Fees, licenses, permits and inspections	10,369,310	-	-	-	10,369,310
Fines, forfeitures, and penalties	5,121,829	-	-	3,170,239	8,292,068
Charges for services	571,791	-	-	575,721	1,147,512
Intergovernmental and intragovernmental	6,544,213	-	11,736,313	4,422,673	22,703,199
Investment income	1,225,854	617,060	1,035,943	1,695,910	4,574,767
Miscellaneous	8,449,318	-	-	1,119,619	9,568,937
Total revenues	224,095,253	31,539,333	22,888,908	39,521,244	318,044,738
Expenditures:					
Current:					
General government	42,469,610	-	-	-	42,469,610
Police	63,646,430	-	-	1,400,340	65,046,770
Fire	46,613,111	-	-	-	46,613,111
Animal services	-	-	-	-	-
Parks and recreation	17,014,894	-	-	309,304	17,324,198
Municipal court	2,988,691	-	-	197,420	3,186,111
Library	6,877,852	-	-	111,800	6,989,652
Community development	17,688,787	-	8,444,120	26,708,123	52,841,030
Public works	19,110,561	-	-	2,290,482	21,401,043
Debt service:					
Principal	-	26,610,000	-	-	26,610,000
Interest and other charges	-	33,842,850	-	438,536	34,281,386
Contract payments	-	157,585	-	-	157,585
Capital outlay	-	-	-	57,002,816	57,002,816
Total expenditures	216,409,936	60,610,435	8,444,120	88,458,821	373,923,312
Excess (deficiency) of revenues over (under) expenditures	7,685,317	(29,071,102)	14,444,788	(48,937,577)	(55,878,574)
Other financing sources (uses):					
Issuance of general obligation, tax notes and certificate of obligation bonds	-	-	-	46,065,000	46,065,000
Issuance of revenue bonds	-	-	-	-	-
Premium on bonds issued	-	11,547,609	-	5,385,608	16,933,217
Payments to refund escrow	-	(117,963,613)	-	-	(117,963,613)
Refunding bonds issued	-	107,610,000	-	-	107,610,000
Transfers in	1,513,328	16,589,588	-	4,896,776	22,999,692
Transfers out	(6,874,752)	-	(1,886,364)	(13,227,194)	(21,988,310)
Total other financing sources (uses)	(5,361,424)	17,783,584	(1,886,364)	43,120,190	53,655,986
Net change in fund balances	2,323,893	(11,287,518)	12,558,424	(5,817,387)	(2,222,588)
Fund balances, beginning of year	67,700,490	31,741,693	57,440,052	133,217,770	290,100,005
Fund balances, end of year	$ 70,024,383	$ 20,454,175	$ 69,998,476	$ 127,400,383	$ 287,877,417

See accompanying notes to basic financial statements

City of Irving, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended September 30, 2018

Net change in fund balances--total governmental funds			$ (2,222,588)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and other miscellaneous activity involving capital assets (ie, disposals) in the current period.			
Capital outlay expenditures	$ 62,505,123		
Depreciation expense	(22,628,024)		
Net adjustment			39,877,099
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the net change in "unavailable" revenues.			79,520
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This adjustment is to recognize the receipt of capital assets from developers.			90,359,825
The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the the treatment of long-term debt and related items.			
Debt issued:			
GO bonds, certificates of obligation, revenue bonds and note payable		$ 153,675,000	
Bond premium		16,933,217	
Bond premium amortization		(2,444,231)	
Deferred charge on refunding amortization		922,546	
Total debt issued		169,086,532	
Repayments:			
To bondholders/debtors	(26,610,000)		
Payment to Escrow agent:			
Principal	(125,255,000)		
Refunding loss deferred	(8,294,413)	(133,549,413)	
Total repayments		(160,159,413)	
Net adjustment			(8,927,119)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Decrease in sales tax overpayment to State Comptroller for sales taxes		$ (293,112)	
Increase in the amount of compensated absences		857,964	
Increase in accrued interest on general obligation bonds		(957,447)	
Total adjustment			392,595
To record net change in pension activity			(8,386,566)
To record net change in OPEB activity			(577,940)
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, insurance, and computer replacement, to individual funds.			
Change in net position of the internal service funds			3,486,137
Change in net position of governmental activities			$ 114,080,963

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Net Position
Proprietary Funds
September 30, 2018

	Business-type Activities- enterprise funds				Governmental Activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Assets:					
Current assets:					
Current assets - unrestricted:					
Cash and cash equivalents	$ 32,777,897	$ 5,711,329	$ 1,993,039	$ 40,482,265	$ 11,428,483
Investments	50,802,007	2,951,526	691,414	54,444,947	38,737,025
Accounts receivable, net	19,887,691	1,209,600	303,687	21,400,978	-
Accrued interest	302,416	14,943	3,190	320,549	289,479
Inventories, at cost	572,289	-	-	572,289	173,823
Prepaid expenses	10,504	-	-	10,504	-
Total current assets - unrestricted	104,352,804	9,887,398	2,991,330	117,231,532	50,628,810
Current assets - restricted:					
Cash and cash equivalents	22,131,185	-	171,193	22,302,378	-
Investments	18,876,883	-	323,650	19,200,533	-
Accrued interest receivable	109,790	-	5,017	114,807	-
Total current assets - restricted	41,117,858	-	499,860	41,617,718	-
Total current assets	145,470,662	9,887,398	3,491,190	158,849,250	50,628,810
Noncurrent assets:					
Cash and cash equivalents, bond reserve	167,928	-	-	167,928	-
Investments, bond reserve	7,676,678	-	317,339	7,994,017	-
Accrued interest receivable, bond reserve	69,343	-	-	69,343	-
Capital assets:					
Equipment	-	-	-	-	61,691,878
Land	7,532,058	1,007,261	88,397	8,627,716	-
Water rights	20,939,506	-	-	20,939,506	-
Plant / infrastructure	685,445,064	15,525,934	65,425,450	766,396,448	147,980
Construction in progress	39,410,561	4,424,163	2,023,928	45,858,652	1,238,151
Less accumulated depreciation	(283,128,902)	(6,418,612)	(24,371,979)	(313,919,493)	(45,120,076)
Total capital assets, net	470,198,287	14,538,746	43,165,796	527,902,829	17,957,933
Total noncurrent assets	478,112,236	14,538,746	43,483,135	536,134,117	17,957,933
Total assets	623,582,898	24,426,144	46,974,325	694,983,367	68,586,743
Deferred outflow of resources					
Deferred charge on refunding	2,553,439	-	-	2,553,439	-
Deferred outflow from pensions	2,086,281	927,236	237,885	3,251,402	237,885
Deferred outflow from OPEB	93,066	47,971	10,341	151,378	10,341
Total deferred outflow of resources	4,732,786	975,207	248,226	5,956,219	248,226
Liabilities:					
Current liabilities:					
Current liabilities - unrestricted funds					
Accounts payable	5,137,239	1,104,756	14,012	6,256,007	708,916
Accrued wages and benefits	497,955	247,385	91,121	836,461	74,910
Lease payable	-	-	-	-	1,548,900
Sundry payable	-	-	-	-	16,533
Retainage payable	358,380	-	-	358,380	129,328
Deposits	8,721,270	-	-	8,721,270	-
Compensated absences payable	40,589	20,068	8,958	69,615	-
Estimated liability for unpaid claims	-	-	-	-	4,654,012
Total current liabilities - unrestricted funds	14,755,433	1,372,209	114,091	16,241,733	7,132,599
Current liabilities payable from restricted assets:					
Accounts payable	1,364,290	-	5,060	1,369,350	-
Retainage payable	503,081	-	-	503,081	-
Deposits	26,356	-	-	26,356	-
Water supply obligations	366,816	-	-	366,816	-
Revenue bonds (net of bond premium)	18,281,330	-	207,851	18,489,181	-
Accrued interest payable	1,408,814	-	17,659	1,426,473	-
Total current liabilities payable from restricted assets	21,950,687	-	230,570	22,181,257	-
Total current liabilities	36,706,120	1,372,209	344,661	38,422,990	7,132,599
Noncurrent liabilities, net of current portion:					
Compensated absences payable	635,886	314,401	140,339	1,090,626	-
OPEB liability	1,432,008	744,710	159,112	2,335,830	159,112
Net pension liability	5,302,129	2,356,502	1,029,803	8,688,434	1,029,803
Lease payable	-	-	-	-	4,160,837
Revenue bonds (net of bond premium)	166,034,440	-	3,397,270	169,431,710	-
Water supply obligations	15,836,298	-	-	15,836,298	-
Landfill closure and post closure payable	-	5,660,266	-	5,660,266	-
Estimated liability for unpaid claims	-	-	-	-	3,805,457
Total noncurrent liabilities	189,240,761	9,075,879	4,726,524	203,043,164	9,155,209
Total liabilities	225,946,881	10,448,088	5,071,185	241,466,154	16,287,808
Deferred inflows of resources					
Deferred inflows from pensions	1,777,949	790,200	162,588	2,730,737	162,588
Total deferred inflow of resources	1,777,949	790,200	162,588	2,730,737	162,588
Net position:					
Net investment in capital assets	308,389,425	14,538,746	39,684,113	362,612,284	12,248,196
Restricted for debt service	11,206,283	-	688,943	11,895,226	-
Unrestricted	80,995,146	(375,683)	1,615,722	82,235,185	40,136,377
Total net position	$ 400,590,854	$ 14,163,063	$ 41,988,778	$ 456,742,695	$ 52,384,573

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2018

	Business-type Activities- enterprise funds				Governmental Activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Operating revenues:					
Charges for services	$ 112,051,868	$ 16,165,024	$ 5,305,713	$ 133,522,605	$ 44,387,104
Miscellaneous	-	897,873	-	897,873	343,574
Total operating revenues	112,051,868	17,062,897	5,305,713	134,420,478	44,730,678
Operating expenses:					
Water purchases	9,047,727	-	-	9,047,727	-
Sewer treatment costs	25,611,616	-	-	25,611,616	-
Personnel services	12,726,268	6,556,191	2,306,003	21,588,462	1,916,832
Penson expense	315,754	140,335	148,584	604,673	148,584
OPEB expense	61,562	30,838	6,840	99,240	6,840
Supplies	3,351,686	121,330	53,425	3,526,441	5,527,522
Maintenance	2,261,609	2,250,800	1,116,023	5,628,432	266,348
Light and power	2,735,960	-	-	2,735,960	-
Depreciation	16,270,156	980,600	1,399,594	18,650,350	4,790,388
Sundry charges	209,174	-	1,640	210,814	-
Administrative charges	5,567,363	935,079	41,771	6,544,213	-
Claims	-	-	-	-	24,887,204
Insurance premiums	-	-	-	-	2,588,979
Other	3,176,736	1,366,388	318,966	4,862,090	1,732,902
Total operating expenses	81,335,611	12,381,561	5,392,846	99,110,018	41,865,599
Operating income (loss)	30,716,257	4,681,336	(87,133)	35,310,460	2,865,079
Nonoperating revenues (expenses):					
Investment income	1,739,774	96,998	39,231	1,876,003	631,999
Interest expense and fiscal charges	(5,822,749)	-	(143,633)	(5,966,382)	(85,512)
Gain (loss) on sale of capital assets	(9,168)	-	-	(9,168)	74,571
Total nonoperating revenues (expenses)	(4,092,143)	96,998	(104,402)	(4,099,547)	621,058
Income (loss) before contributions and transfers	26,624,114	4,778,334	(191,535)	31,210,913	3,486,137
Capital contributions	6,195,602	1,628,701	3,553,573	11,377,876	-
Transfers out	-	(1,011,382)	-	(1,011,382)	-
Change in net position	32,819,716	5,395,653	3,362,038	41,577,407	3,486,137
Net position, beginning of year as restated (see note 1(s))	367,771,138	8,767,410	38,626,740	415,165,288	48,898,436
Net position, end of year	$ 400,590,854	$ 14,163,063	$ 41,988,778	$ 456,742,695	$ 52,384,573

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2018

	Business-type Activities- enterprise funds				Governmental Activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Cash flows from operating activities:					
Receipts from customers	$ 111,487,654	$ 16,300,025	$ 5,300,734	$ 133,088,413	$ 45,573,431
Payments to suppliers for goods, services and claims	(50,444,682)	(3,584,524)	(1,682,349)	(55,711,555)	(33,616,999)
Payments to employees	(12,676,641)	(6,575,793)	(2,349,754)	(21,602,188)	(1,923,014)
Other receipts	-	897,873	-	897,873	133,116
Other payments	-	-	-	-	(1,498,054)
Net cash provided by operating activities	48,366,331	7,037,581	1,268,631	56,672,543	8,668,480
Cash flows from noncapital financing activities:					
Transfer to other funds	-	(1,011,382)	-	(1,011,382)	-
Net cash used in noncapital financing activities	-	(1,011,382)	-	(1,011,382)	-
Cash flows from capital and related financing activities:					
Proceeds from sale of revenue bonds	15,305,000	-	-	15,305,000	-
Premium received on sale of bonds	1,243,545	-	-	1,243,545	-
Proceeds from lease agreement	-	-	-	-	1,321,116
Principal paid on lease payable	-	-	-	-	(1,278,646)
Proceeds from sale of capital assets	-	-	-	-	397,650
Acquisition of capital assets	(22,054,284)	(2,920,894)	(833,395)	(25,808,573)	(3,291,279)
Principal paid on revenue bonds	(15,770,000)	-	(200,000)	(15,970,000)	-
Principal paid on water supply rights	(355,260)	-	-	(355,260)	-
Interest paid lease payable	-	-	-	-	(85,512)
Interest paid on revenue bonds / water supply rights	(7,456,998)	-	(143,633)	(7,600,631)	-
Net cash used in capital and related financing activities	(29,087,997)	(2,920,894)	(1,177,028)	(33,185,919)	(2,936,671)
Cash flows from investing activities:					
Interest on investments	1,503,870	85,896	31,218	1,620,984	447,572
Purchase of investments	(130,097,678)	(5,926,419)	(2,160,782)	(138,184,879)	(44,436,667)
Maturities and sale of investments	130,721,820	2,974,893	1,495,969	135,192,682	39,149,602
Net cash provided by (used in) investing activities	2,128,012	(2,865,630)	(633,595)	(1,371,213)	(4,839,493)
Net increase (decrease) in cash and cash equivalents	21,406,346	239,675	(541,992)	21,104,029	892,316
Cash and cash equivalents, beginning of year	33,670,664	5,471,654	2,706,224	41,848,542	10,536,167
Cash and cash equivalents, end of year	55,077,010	5,711,329	2,164,232	62,952,571	11,428,483
Classified as:					
Current assets - unrestricted	32,777,897	5,711,329	1,993,039	40,482,265	11,428,483
Current assets - restricted	22,131,185	-	171,193	22,302,378	-
Noncurrent assets - restricted	167,928	-	-	167,928	-
Total	$ 55,077,010	$ 5,711,329	$ 2,164,232	$ 62,952,571	$ 11,428,483

(continued)

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2018

	Business-type Activities- enterprise funds				Governmental activities-
	Water and sanitary sewer	Solid waste	Municipal drainage	Totals	Internal service funds
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	$ 30,716,257	$ 4,681,336	$ (87,132)	$ 35,310,461	$ 2,865,079
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	16,279,323	980,600	1,399,594	18,659,517	4,790,388
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
(Increase) decrease in accounts receivable	(371,426)	135,001	(4,979)	(241,404)	975,869
(Increase) decrease in inventories	160,193	-	-	160,193	(39,955)
Decrease in deferred outflow from pensions	3,025,056	1,344,469	509,065	4,878,590	509,065
(Increase) in difference outflow from OPEB	(93,066)	(47,971)	(9,861)	(150,898)	(10,341)
(Decrease) increase in accounts payable	1,122,725	820,882	(150,524)	1,793,083	(366,683)
(Decrease) in accrued wages and benefits	(27,826)	(24,781)	(19,428)	(72,035)	(6,181)
Increase in sundry payable	-	-	-	-	10,536
Increase in retainage payable	225,104	-	-	225,104	129,328
Increase in estimated liability for unpaid claims	-	-	-	-	154,676
Increase in OPEB payable	154,629	78,809	16,701	250,139	17,181
(Decrease) in net pension liabilities	(4,209,325)	(1,870,811)	(467,703)	(6,547,839)	(467,703)
Increase in landfill closure and post closure	-	268,191	-	268,191	-
(Decrease) in compensated absences	77,452	5,179	(24,323)	58,308	-
(Decrease) in deposits	(192,788)	-	-	(192,788)	-
Incrrease in deferred inflow from pensions	1,500,023	666,677	107,221	2,273,921	107,221
Total adjustments	17,650,074	2,356,245	1,355,763	21,362,082	5,803,401
Net cash provided by operating activities	$ 48,366,331	$ 7,037,581	$ 1,268,631	$ 56,672,543	$ 8,668,480
Noncash financing, capital, and investing activities:					
Capitalized Interest	$ 550,853	$ -	$ -	$ 550,853	$ -
Contributions of capital assets	6,195,602	-	3,553,573	9,749,175	-
Transfer of capital assets	-	1,628,701	-	1,628,701	-
Total noncash activities	$ 6,746,455	$ 1,628,701	$ 3,553,573	$ 11,928,729	$ -

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2018

	Pension trust funds	Agency fund Cash bond
Assets		
Cash and cash equivalents	$ 2,034,168	$ 21,061
Investments, at fair value		
U.S. government securities	1,438,689	-
Common stock	30,892,698	-
Alternative investment/hedge funds	18,510,857	-
Mutual funds	4,016,795	-
Corporate bonds	6,048,884	-
Receivables:		
Accounts Receivable	97,111	-
Accrued interest on investments	172	-
Total assets	63,039,374	21,061
Liabilities		
Sundry payables	-	21,061
Total liabilities	-	21,061
Net position		
Net position restricted for pensions	$ 63,039,374	$ -

See accompanying notes to basic financial statements

City of Irving, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended September 30, 2018

		Pension trust funds
Additions:		
Employee contributions	$	2,618,492
Employer contributions		2,180,700
Investment income		
Net increase in fair value of investments		3,078,827
Interest income		1,666,216
Total investment income		4,745,043
Less investment expense		(331,260)
Net investment income		4,413,783
Total additions		9,212,975
Deductions:		
Benefits and refunds paid		3,912,959
Administrative costs		158,528
Total deductions		4,071,487
Change in net position		5,141,488
Net position, beginning of year		57,897,886
Net position, end of year	$	63,039,374

See accompanying notes to basic financial statements

CITY OF IRVING, TEXAS

Notes to Basic Financial Statements

September 30, 2018

		Page
1.	Summary of Significant Accounting Policies	33
2.	Cash and Cash Equivalents and Investments	43
3.	Property Tax	46
4.	Receivables	48
5.	Capital Assets	50
6.	Capital Leases	53
7.	Long-Term Debt	54
8.	Contractual Obligations for Water Supply and Wastewater Treatment	62
9.	Inter-fund Balances	63
10.	Self-Insurance Fund	64
11.	Employee Pension Plans	65
12.	Voluntary Employee Beneficiary Association	79
13.	Other Post-Employment Benefits	80
14.	Landfill Closure and Postclosure Care Cost	86
15.	Tax Abatement and Economic Incentives	87
16.	Commitments and Contingencies	87
17.	Fund Balance/Net Position Deficit	88
18.	Subsequent Events	88
19.	New Accounting Principals	89

(1) Summary of Significant Accounting Policies

The City of Irving, Texas (the City), was incorporated in 1914 under Article XI of the Constitution of the State of Texas (Home-Rule Amendment). The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its inhabitants.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below:

(a) Reporting Entity

The City is a municipality governed by an elected mayor and eight-member council. As required by GAAP, these financial statements present the City (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City based upon the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34.* Generally, GASB Statements No. 14 and GASB Statement No. 61 require entities upon which the City is able to impose its will, or that are fiscally dependent upon the City, to be included in the City's financial reporting entity. Additionally, those entities that the nature and significance of their relationship with the City is such that exclusion from the City's financial reporting entity would render the City's financial statements incomplete or misleading, should also be included in the City's reporting entity.

Blended Component Units – Those entities that meet the above-established criteria for inclusion, as well as either of the following criteria: (1) provide services entirely or almost entirely for the City, or (2) whose board is substantively the same as the City's Council, and (a) the primary government and the component unit have a financial benefit or burden relationship or (b) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit are required to be included as part of the primary government's financial statements through "blended" presentation. The entities that meet the above-established criteria for inclusion as a blended component unit are:

City of Irving Supplemental Benefit Plan (SBP) – The board consists of nine members of which five are elected by employees and four are appointed by Council resolution. The Irving City Council adopts the budget for SBP and sets the employee and employer contribution rates based upon actuarial valuations. The Irving City Council is authorized to establish benefit levels and approve actuarial assumptions used in the determination of contribution levels. The SBP is a fiduciary fund and does not have separately issued financial statements.

City of Irving Voluntary Employee Beneficiary Association (VEBA) – The Irving City Council adopts the budget for the VEBA and sets the employee and employer contribution rates. The Irving City Council is authorized to establish benefit levels and approve assumptions

used in the determination of contribution levels. VEBA is a fiduciary fund and does not have separately issued financial statements.

Irving Housing Finance Corporation (IHFC) – The IHFC was incorporated in November 2006 for the purpose of benefiting and accomplishing public purposes of, and on behalf of, the City. The IHFC board is comprised of the City Council members, with the Mayor acting as President. All IHFC transactions are reviewed by the Executive Director of the Housing and Human Services Department and the IHFC Treasurer (City's Chief Financial Officer) who are employees of the City. IHFC is "blended" in the City's financial statements, as a special revenue fund, and does not have separately issued financial statements.

(b) Basis of Presentation

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. The agency fund applies the accrual basis of accounting but has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are

collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and sales tax overpayments are recorded only when the liability has matured.

Property taxes, sales taxes, hotel/motel taxes, gross receipts taxes, intergovernmental revenues, certain charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives the cash.

Funds

Governmental funds are those through which most governmental functions typically are financed. The City reports the following major governmental funds:

General Fund – The General Fund is the City's primary operating fund. It accounts for all resources of the general government, except those that are required legally or by sound financial management to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The general long-term debt serviced by the Debt Service Fund consists of general obligation bonds and special revenue bonds due in annual installments from 2017 through 2053. The City's property tax is levied, in part, to finance the debt service agreements of the general obligation bonds.

TIF Fund – The TIF fund accounts for the resources and expenditures incurred in administering Tax Increment Financing (TIF) programs. The City has 5 TIFs to support economic development and finance public infrastructure.

Proprietary funds are used for services for which the City charges customers whether to outside customers or other units of the City. The City reports the following major proprietary funds:

Water and Sanitary Sewer Fund – The Water and Sanitary Sewer Fund accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, new construction, financing and related debt service, and billing and collections.

Solid Waste Fund - The Solid Waste Fund accounts for the provision of solid waste collection and disposal services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, new construction, and financing and related debt service.

Municipal Drainage – The Municipal Drainage Utility Fund accounts for fees assessed to property owners for improvements to the storm water drainage system and to provide for treatment facilities as required by federal legislation.

Additionally, the City reports the following funds:

Internal service funds account for garage and equipment replacement, the City's self-insurance programs and computer replacement provided to other departments of the City, on a cost reimbursement basis. These funds primarily support governmental activities.

The pension trust funds account for the activities of the Supplemental Benefit Plan and the Voluntary Employee Beneficiary Association, which accumulate resources for pension-related benefits to qualified City employees and an agency fund to account for cash bond funds.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program* revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Except in certain instances, when both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

For pension trust funds, contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Non-current governmental assets and liabilities not reported at the fund level are included in the Governmental activities column in the government-wide Statement of Net Position.

(c) Cash, Cash Equivalents, and Investments

State statutes and policy as established by the City Council authorize the City to invest in certificates of deposit, direct obligations of the U.S. Treasury including its agencies and instrumentalities, municipal bonds, and investment pools consisting of U.S. Treasury obligations, repurchase agreements, commercial paper, and mutual funds.

The City's policy is to record investments with maturities of one year or less at the time of purchase at amortized cost. All other investments are recorded at fair value. It is the City's (exclusive of the SBP Fund) practice to hold all investments to maturity.

Trustees for the SBP are authorized to invest in fixed income, U.S. equities, non-U.S. equities, real estate, and alternative investments.

(d) Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and investment pools to be cash equivalents.

(e) Inventories

Inventories are recorded as expenditures in governmental funds at the time of purchase and accordingly, have not been reported on the governmental funds Balance Sheet. Inventories for the proprietary funds consist of fuel and parts, and are recorded at cost using the first in/first out method.

(f) Inter-fund Transactions

Inter-fund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from" or "due to" other funds, as they are expected to be repaid within one year. Internal amounts due between governmental and business type activities as of the end of the year are reflected within the government-wide financial statements.

Transactions Between Funds

Transactions between funds, which would have been treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit, are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund reimbursed. Reimbursement for services provided by the General Fund to the enterprise funds are recorded as revenues and expenses respectively.

Eliminations are made in the Statement of Activities to remove the doubling-up effect of internal service fund activity. The effects of similar internal events that are, in effect, allocations of overhead expenses from one function to another or are within the same function are eliminated. The effect of inter-fund services provided and used between functions is not eliminated in the Statement of Activities. Internal service fund asset and liability balances that are not eliminated in the Statement of Net Position are reported in the governmental activities column.

(g) Water Supply Rights

Water supply rights represent the City's contractual rights to utilize water at Lake Chapman for municipal and industrial use. The City began receiving water from Lake Chapman during fiscal year 2003. Water rights are being amortized on a straight-line basis over the term of the related obligation of 50 years. See notes 1(k) and 8 for additional information regarding the City's contractual obligations.

(h) Capital Assets

Capital assets are defined by the government as those tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Property, plant, and equipment purchased or acquired is carried at historical cost or estimated historical cost if original cost is not available (estimated fair value, plus any ancillary charges, at time of receipt for assets contributed). Public domain (infrastructure) assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems have been recorded at estimated historical cost. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.

The City of Irving's capitalization threshold for capital assets is $5,000. Major outlays for capital assets and improvements are capitalized as projects are constructed. Maintenance and repairs are charged to operations as incurred whereas improvements and betterments that extend the useful lives of capital assets are capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, if significant. However, interest is not capitalized in the governmental activities, as this is prohibited under Generally Accepted Accounting Principles (GAAP). For fiscal year 2018, interest costs were capitalized in the Water and Sanitary Sewer fund in the amount of $550,853.

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible (such as land, land improvements and art work). Capital assets that are being or have been depreciated are reported net of accumulated depreciation in the Statement of Net Position. Depreciation expense for capital assets that can be specifically identified with a function are included in that function's direct expenses whereas depreciation expense for shared capital assets are ratably included in the direct expenses of the appropriate function unless otherwise indicated as unallocated. Depreciation expense for general infrastructure assets is not allocated to the various functions but is reported as a direct expense of the function normally associated with capital outlays for, and maintenance of, infrastructure assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Capital Assets	Estimated Useful Life
Buildings and improvements	40-50 years
Infrastructure and plant	50 years
Furniture, fixtures, and equipment	5-20 years
Vehicles	2-12 years

(i) Deferred outflows/inflows

In addition to assets, the statement of financial position may have a separate section of deferred outflow of resources. This separate section will represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refundings - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. Amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference between projected and actual earnings related to pensions – This difference is deferred and amortized over a closed five year period.
- Difference in assumption changes related to pensions and TMRS SDBF plan – This difference is deferred and amortized over a closed five year period.
- Difference in assumption changes related to Retiree Health Care OPEB plan – This difference is deferred and amortized over the estimated average remaining service lives of all members determined as of the measurement date.
- Difference in expected and actual experience related to pensions – This difference is deferred and amortized over a closed five year period.

In addition to liabilities, the statement of financial position may have a separate section of deferred inflow of resources. This separate section will represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The difference between expected and actual economic experience related to pensions, and unavailable revenue. Unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(j) Federal and State Grants and Entitlements

Grants and entitlements received for purposes normally financed through the general government are accounted for within the special revenue funds. Community Development Block Grants are the more significant grants classified as special revenue funds. Revenues are recognized when all eligibility requirements have been met and the funds are available.

(k) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Deferred losses are amortized over the life of the bonds using the straight line method. In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

General obligation bonds, which have been issued to fund capital projects of the general government, are to be repaid from the ad valorem tax revenues of the City. General obligation bond debt is recorded in the governmental activities column in the Statement of Net Position.

Special revenue bonds, which have been issued to fund a number of civic projects, are to be repaid primarily from the hotel occupancy tax revenues of the City. Special revenue bond debt is recorded in the governmental activities column in the Statement of Net Position.

Water and Sanitary Sewer revenue bonds, which have been issued to fund capital projects, are to be repaid from the net revenues of the Water and Sanitary Sewer System fund. Water and Sanitary Sewer revenue bond debt is accounted for in the Water and Sanitary Sewer fund. Likewise, Municipal Drainage Utility System revenue bonds issued for the purpose of drainage improvements are to be repaid from the net revenues of the Municipal Drainage fund.

Water supply obligations, which represent long-term contracts between the City and the U.S. government for specified rights to a water supply in return for payment of costs to construct facilities, are to be repaid from the net revenues of the Water and Sanitary Sewer fund. Water supply obligation debt is accounted for in the Water and Sanitary Sewer fund.

In the governmental funds Balance Sheet, liabilities arising from inter-fund activities and matured liabilities (other than those associated with proprietary or fiduciary funds) are reported as governmental fund liabilities. Matured liabilities include: (1) liabilities that normally are due and payable in full when incurred, and (2) the matured portion of general long-term indebtedness (the portion that has come due for payment). Debt service on formal debt issues (such as bonds and tax notes) is recognized as a governmental fund liability and expenditure when due.

(l) Compensated Absences

All regular full-time employees accrue vacation and sick leave on a bi-weekly basis. Vacation leave may only be accrued up to a maximum number of hours, based on an employee's length of service. Sick leave may be accrued up to an unlimited amount. Compensatory leave may be accrued up to a maximum amount.

Upon employee termination and completion of the six (6) month orientation period, the City pays for unused vacation and compensatory leave up to a maximum allowable accrual. General government employees are not paid for accrued sick leave; however, police officers and firefighters may be paid up to 2,500 hours if certain requirements are met.

(m) Nature and Purpose of Classifications of Fund Equity

Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purpose pursuant to a formal action approved by the City Council through an ordinance. Assigned fund balances are constrained by the intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City Council or City management as discussed before the Audit and Finance Committee of the City Council and approved by the City Manager and Chief Financial Officer in accordance with the City's financial policies.

For the classification of Governmental Fund balances, the City considers expenditures to be made from the most restrictive first when more than one classification is available. Net position restricted for revenue bond retirement in the Proprietary Funds is a reserve required by revenue bond covenants.

Summary of major purpose classifications of fund equity:

	Non-Spendable	Restricted	Committed	Assigned
Prepaids	$ 181,976	$ -	$ -	$ -
Debt service	-	20,454,175	-	-
Police	-	1,506,985	-	-
Promote tourism and convention, venue and hotel industry	-	77,007,817	-	-
Special Assessments	-	715,009	-	-
Housing	-	182,888	-	-
Public infrastructure	-	28,718,964	-	-
Landfill improvements	-	-	-	-
Economic development	-	-	650,000	3,411,046
Park improvements	-	-	-	720,083
Fire facilities	-	-	-	-
City building improvements	-	-	-	-
Municipal courts	-	1,787,376	-	-
Communications systems	-	-	-	-
Encumbrances	-	-	-	1,365,788
Other	-	322,510	-	-
Total	$ 181,976	$ 130,695,724	$ 650,000	$ 5,496,917

(n) Minimum Fund Balance Policy

It is the desire of the City to maintain adequate fund balance in operating funds to maintain liquidity, as well as, anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to target a minimum fund balance, for operations, of 30% of annual revenues.

(o) Net Position

In the government-wide financial statements, the net position is reported in three components (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

(p) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect

certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(q) Pensions

The City has three pension plans, Firemen's Relief and Retirement Fund, Supplemental Benefit Plan and Texas Municipal Retirement System. Information about the fiduciary net position of the City's pension plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by each of the City's pension plans. For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments in the plans are reported at fair value.

(r) Other Postemployment Benefits (OPEB)

OPEB cost for retiree healthcare and similar, non-pension retiree benefits, is required to be measured and disclosed using the accrual basis of accounting. Annual OPEB cost is calculated in accordance with GASB Statement 75.

(s) Restatement of Net Position's Beginning Balance

The implementation of Government Accounting Standards Board Statement 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*", resulted in the restatement of beginning net position liability for the elimination of the previously reported OPEB liability and the beginning deferred outflow from OPEB. Prospectively applying this change results in the adjustment as follow:

	Government-wide Statement of activities	
	Governmental activities	**Business-type activities**
Beginning Net position at September 30, 2017 as previously reported	$ 409,254,952	$ 416,117,115
Elimination of OPEB liability at September 30, 2017	9,741,431	1,133,384
Recording of OPEB liability at September 30, 2017	(12,148,981)	(2,092,102)
Deferred outflow from OPEB	41,085	6,891
Beginning Net position as restated at September 30, 2018	$ 406,888,487	$ 415,165,288

	Fund Level			
	Proprietary statement of revenues, expenses and changes in net position			
	Water and sanitary sewer	Solid waste	Municipal drainage	Internal service funds
Beginning Net position at September 30, 2017 as previously reported	$ 368,538,850	$ 8,809,594	$ 38,768,671	$ 48,718,512
Elimination of OPEB liability at September 30, 2017	509,667	623,717	-	321,855
Recording of OPEB liability at September 30, 2017	(1,281,697)	(667,994)	(142,411)	(142,411)
Deferred outflow from OPEB	4,318	2,093	480	480
Beginning Net position as restated at September 30, 2018	$ 367,771,138	$ 8,767,410	$ 38,626,740	$ 48,898,436

(2) Cash and Cash Equivalents and Investments

State statutes, the City's Investment Policy and the City's Depository and Investment Agreement govern the investments of the City (exclusive of the SBP). Major provisions of the City's investment policy include the following: depositories must be FDIC-insured institutions, depositories must fully insure or collateralize all deposits, and investments must be purchased in the name of the City and be delivered to the City's agent for safekeeping. The deposits and investments of the SBP are held separately from those of other City funds by an outside trustee appointed by the City.

Deposits – At September 30, 2018, the carrying amount of the City's (exclusive of SBP) deposits was $38,739,066 and the bank balance was $42,894,586 which was entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name. Supplemental Benefit Plan deposits of $1,844,511, representing money market mutual funds, are held by a bank trust and are managed by independent investment managers for the ultimate benefit of City employees who participate. These investments are reported at fair value. At September 30, 2018, the City's cash on hand totaled $14,867.

(Remainder of page left blank intentionally)

Investments – The City's investments held as of September 30, 2018, were as follows:

	Carrying Amount	Fair Value Measurement Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurement Using: Significant Other Observable Inputs (Level 2)	Weighted Average Maturity (days)
City - Pooled investments				
Federal Home Loan Bank Disc. Notes	$ 73,426,186	$ -	$ 73,823,601	193
Federal Home Loan Mortgage Assoc.	38,579,984	-	38,850,552	132
Federal Farm Credit Bank Disc. Notes	7,186,234	-	7,216,555	137
Federal Agricultural Mortgage Corporation	26,192,873	-	26,418,457	106
Treasury Bill	104,896,088	-	105,413,227	162
Texpool Investment Pool	92,459,417	-	-	28
TexStar Investment Pool	92,386,194	-	-	30
Subtotal	435,126,976	-	251,722,392	
Supplemental Benefit Plan (SBP)				
Fair Value:				
Federal National Mortgage Association	2,355	-	2,355	NA
United States Treasury Notes	1,436,334	-	1,436,334	NA
Common Stocks	30,892,698	30,892,698	-	NA
Mutual Funds	4,016,795	-	4,016,795	NA
Corporate Bonds	6,048,884	-	6,048,884	NA
Alternative Investments/Hedge Funds	18,510,857	-	-	NA
Subtotal	60,907,923	30,892,698	11,504,368	
Total	$ 496,034,899	$ 30,892,698	$ 263,226,760	

All of the above items with a maturity date of three months or less from date of purchase and investment pools are included in cash equivalents for financial reporting purposes.

Fair Value Measurement – The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which established three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets and liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are inputs (other than quoted prices within Level 1) that are observable for an asset and liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for an asset or liability. For current year, City reflects no Level 3 inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

For the City, Investment Pools and Money Market accounts are measured at amortized cost or net asset value (NAV) and are exempt from fair value reporting. Texpool and TexStar investment pools are governed by the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

For the SBP (Plan), Commons Stock and Preferred Stock are classified in Level 1 of the fair value hierarchy using prices quoted in active markets for those securities. Alternative Investment/Hedge Funds are measured at NAV and are exempt from fair value reporting. TexSTAR and TexPool are external investments pools measured at amortized cost to report net position to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool.

For the City, U.S. Government Agencies and U.S. Treasury Bills and for the SBP Plan, US Government Agencies, US Treasury Notes, Mutual Funds, Corporate Bonds and Municipal Obligations are classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City of Irving manages its exposure to interest rate risk is by diversifying its portfolio, investing in a combination of investment pools, treasury bills. The City also holds investments until maturity and times cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations and obligations. The City of Irving monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio on a quarterly basis. The City's investment policy (exclusive of SBP Fund) limits the weighted average of its portfolio to 365 days for its operating funds. At September 30, 2018, the maximum weighted average maturity (WAM) by investment type was 160 days.

The SBP portfolio managed by Federated Investors in a Core Aggregate strategy is constrained in regards to duration to that of the benchmark index, the Barclays Capital U.S. Aggregate Index with a typical duration range that is +/- 20% of the duration of this benchmark index. A portion of the SBP fixed income is invested in Blackstone Real Estate Income Fund (BRIEF). BRIEF primarily invests in commercial mortgage backed securities, CMBS, and a broad range of predominantly liquid real estate debt instruments and is generally hedged to protect against interest rate changes. Another portion is invested in Blackstone Real Estate Debt Securities (BREDS). BREDS primarily invest in public or private debt relating to real estate assets or real estate companies or real estate related holdings.

Credit Risk – Generally, this is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. By policy, the City of Irving requires a minimum rating of AAA or its

equivalent on some investments. The City's investments in U.S. Agency securities (FHLB, FAMC, FHLMC and FFCB) were rated AA+, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively. The investment in Texas Local Government Pools (Texpool and Texstar) carried a credit rating of AAA by Standard and Poor's as of September 30, 2018.

The investment policy of the SBP requires that the fixed income account managed by any manager shall maintain a weighted average credit rating that falls within the "A" category or better, as determined by the major credit ratings agencies at all times. Mutual funds and private investments are controlled by their respective legal documents. Fixed income securities for SBP made up 31% of total investments as of September 30, 2018.

Concentration of Credit Risk – The City of Irving limits investment in any investment type to a maximum of 50% of the portfolio except for investment pools which may be a maximum of only 20% of the portfolio excluding bond proceeds, per individual pool. For SBP, managers shall not invest more than 5% of the Funds' value in the issues of any one issuer, with the sole exceptions of the U.S. Government, its agencies, or instrumentalities. The strategic target for all fixed income investments shall range from 35%-100%. The SBP limits this type of risk by requiring a maximum of 25% of the market value of the entire fund in an industry, and a maximum of 5% in any one company with the sole exception of the U.S. Government, its agencies or instrumentalities.

Custodial Credit Risk – This is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City requires its collected deposits in excess of the federal depository insurance to be collateralized by the depository institution at the rate of 102.5% of the value of the deposits. The collateral must be in the form of an instrument authorized by the State of Texas Public Fund Investment Act held by the City's agent in the City's name.

(3) Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied on October 1 on the taxable value listed as of the prior January 1 for all real and business personal property located in the City. Appraised values are established by the Dallas Central Appraisal District at 100% of estimated market value and are certified by the Appraisal Review Board. The taxable value for the beginning of fiscal year 2018 as provided by the Dallas County Tax Office was $24,131,805,578.

The City is permitted by Article XXI; Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of appraised valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Under the City Charter, however, a limit on taxes levied for the same governmental services has been established at $1.50 per $100 of appraised valuation. The tax rate for the year ended September 30, 2018 was $0.5941 ($0.4650 for general government and $0.1291 for debt service) per $100 of appraised valuation. Thus, the City has a tax margin of $0.90 per $100 and could levy up to approximately $217 million in taxes per year from the present appraised valuation.

Taxes are due immediately following the October 1 levy date and are considered delinquent after the following January 31. Current tax collections for the year ended September 30, 2018 were 99.42% of the adjusted tax levy.

Delinquent property taxes of $1,578,949 and $503,893 are included in taxes receivable in the General Fund and Debt Service Fund, respectively.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this system, the City sets tax rates on City property.

(Remainder of page left blank intentionally)

(4) Receivables

Receivables at September 30, 2018 for Governmental Activities of the City's individual major funds and non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

Receivables	General	Debt Service	TIF	Non-major Funds	Internal Service	Total Governmental Activities
Property taxes	$ 2,234,975	$ 686,028	$ -	-	$ -	$ 2,921,003
Sales taxes	11,865,400	-	-	-	-	11,865,400
Hotel occupancy taxes	-	-	-	6,546,057	-	6,546,057
Admissions taxes	-	-	-	220,490	-	220,490
Franchise fees	5,045,456	-	-	91,316	-	5,136,772
Municipal court receivable	15,763,692	-	-	-	-	15,763,692
Accrued interest	478,182	169,860	113,793	378,001	289,479	1,429,315
Accounts receivable	3,276,599	-	-	725,613	59,807	4,062,019
Total gross receivables	38,664,304	855,888	113,793	7,961,477	349,286	47,944,748
Less allowance for doubtful accounts						
Property Taxes	(597,327)	(183,350)	-	-	-	(780,677)
Municipal court receivable	(15,446,314)	-	-	-	-	(15,446,314)
Accounts receivable	(1,217,787)	-	-	-	(59,807)	(1,277,594)
Total allowance	(17,261,428)	(183,350)	-	-	(59,807)	(17,504,585)
Total receivables, net	$ 21,402,876	$ 672,538	$ 113,793	7,961,477	$ 289,479	$ 30,440,163

Receivables at September 30, 2018 for the City's enterprise funds net of allowance for uncollectible accounts consist of the following:

Receivables	Water and Sanitary Sewer	Solid Waste	Municipal Drainage	Total Business-type Activities
Accounts receivable	$ 21,248,052	$ 1,562,492	$ 418,527	$ 23,229,071
Accrued interest	302,416	14,943	3,190	320,549
Accrued interest, restricted	179,133	-	5,017	184,150
Total gross receivables	21,729,601	1,577,435	426,734	23,733,770
Less allowance for doubtful accounts	(1,360,361)	(352,892)	(114,840)	(1,828,093)
Total receivables, net	$ 20,369,240	$ 1,224,543	$ 311,894	$ 21,905,677

Governmental funds report *unavailable and unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (general fund)	$ 1,637,648	$ -
Accounts receivable (general fund)	129,895	-
Delinquent property taxes receivable (debt service fund)	502,678	-
Grant drawdowns prior to meeting all eligibility requirements (non-major governmental funds)	-	900,647
Total unavailable/unearned for governmental funds	$ 2,270,221	$ 900,647

(Remainder of page left blank intentionally)

(5) Capital Assets

Capital asset balances and activity for the year ended September 30, 2018 was as follows (in thousands):

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 105,785	$ 5,968	$ 2,970	$ 108,783
Works of Art	2,174	112	-	2,286
Construction in progress	97,889	44,815	44,921	97,783
Total capital assets not being depreciated	205,848	50,895	47,891	208,852
Capital assets being depreciated:				
Buildings and improvements	273,633	125,348	165	398,816
Equipment	135,398	7,008	16,131	126,275
Infrastructure	487,797	21,098	751	508,144
Total capital assets being depreciated at historical cost	896,828	153,454	17,047	1,033,235
Less accumulated depreciation for:				
Buildings and improvements	63,861	5,821	92	69,590
Equipment	85,601	8,766	15,889	78,478
Infrastructure	198,507	12,820	430	210,897
Total accumulated depreciation	347,969	27,407	16,411	358,965
Total depreciable capital assets, net	548,859	126,047	636	674,270
Governmental activities capital assets, net	$ 754,707	$ 176,942	$ 48,527	$ 883,122

	Beginning Balance	Additions/ Transfers	Retirements/ Transfers	Ending Balance
Total business-type activities:				
Capital assets not being depreciated:				
Land	$ 8,555	$ 72	$ -	$ 8,627
Construction in progress	40,466	19,217	13,824	45,859
Total capital assets not being depreciated	49,021	19,289	13,824	54,486
Capital assets that are being depreciated:				
Water rights	20,940	-	-	20,940
Plant	734,757	31,713	73	766,397
Total capital assets being depreciated, at historical cost	755,697	31,713	73	787,337
Less accumulated depreciation for:				
Water rights	5,949	420	-	6,369
Plant	289,384	18,230	63	307,551
Total accumulated depreciation	295,333	18,650	63	313,920
Total depreciable capital assets, net	460,364	13,063	10	473,417
Business-type activities capital assets, net	$ 509,385	$ 32,352	$ 13,834	$ 527,903

Depreciation expense was charged to functions/programs as follows (in thousands):

	Governmental Activities	Business-Type Activities
General government	$ 7,578	$ -
Police	1,841	-
Fire	2,063	-
Public health and environmental services	1,121	-
Parks and recreation	2,963	-
Municipal court	84	-
Library	822	-
Planning and development	49	-
Drainage utilities	275	-
Public works	10,611	-
Solid Waste	-	981
Municipal drainage	-	1,399
Water and sanitary sewer	-	16,270
	$ 27,407	$ 18,650

(Remainder of page left blank intentionally)

The governmental activities construction in progress is funded principally by general obligation bonds or special revenue bonds and is comprised of the following as of September 30, 2018 (in thousands):

	Total Project Authorization	Expenditures Inception To Sept. 30, 2018	Commitments For Future Expenditures
Storm Sewer	$ 7,615	$ 7,048	$ 567
Park Improvement	5,094	4,238	856
Fire	2,562	2,163	399
Convention Center Hotel	26,636	26,636	-
Convention Center Hotel Garage	8,290	8,290	-
City Building Improvement	679	679	-
Non-Bond CIP	3,905	2,626	1,279
Street Improvement	51,955	45,732	6,223
System Applications	2,974	371	2,603
Radio Communication	263	-	263
Total governmental activities	$ 109,973	$ 97,783	$ 12,190

The business-type activities construction in progress is funded principally by revenue bonds and utility operations and is composed of the following as of September 30, 2018 (in thousands):

	Total Project Authorization	Expenditures Inception To Sept. 30, 2018	Commitments For Future Expenditures
Water Improvement	$ 7,370	$ 4,172	$ 3,198
Sewer Improvement	26,792	11,215	15,577
Water and Sewer	33,880	24,024	9,856
Municipal Drainage	2,524	2,024	500
Solid Waste	7,131	4,424	2,707
Total business-type activities	$ 77,697	$ 45,859	$ 31,838

(6) Capital Leases

The City entered into a lease agreement as lessee for financing the acquisition of various fire equipment which is payable from governmental activities. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through a capital lease are as follows:

		Governmental Activities
Assets:		
Equipment	$	9,947,700
Less: Accumulated depreciation		(1,917,889)
Total	$	8,029,811

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017 are as follows:

Year ending September 30	Governmental Activities
2019	1,646,147
2020	1,646,147
2021	1,409,369
2022	961,789
2023	281,988
Total minimum future lease payments	5,945,440
Less: Amount representing interest	(235,703)
Present value of minimum lease payments	$ 5,709,737

(Remainder of page left blank intentionally)

(7) Long-Term Debt

Bonds payable at September 30, 2018 are comprised of the following:

	Governmental Activities
General Obligation Bonds	
$39,155,000 General Obligation Refunding and Improvement Bonds, Series 2009 due in annual principal payments ranging from $890,000 to $3,680,000 through September 15, 2029. Rates range from 2.5% to 5%.	$ 12,290,000
$17,975,000 General Obligation Bonds, Series 2010 due in annual principal payments ranging from $895,000 to $900,000 through September 15, 2030. Rates range from 2% to 5%.	10,775,000
$34,770,000 General Obligation Refunding and Improvement Bonds, Series 2011 due in annual principal payments ranging from $105,000 to $7,930,000 through September 15, 2031. Rates range from 2.0% to 5.0%.	33,110,000
$22,350,000 General Obligation Refunding and Improvement Bonds, Series 2012 due in annual principal payments ranging from $605,000 to $1,680,000 through September 15, 2032. Rates range from .05% to 3%.	16,695,000
$17,835,000 General Obligation Bonds, Series 2013 due in annual principal payments ranging from $890,000 to $895,000 through September 15, 2033. Rates range from 2% to 4.5%.	13,360,000
$19,860,000 General Obligation Bonds, Series 2014 due in annual principal payments ranging from $985,000 to $1,000,000 through September 15, 2034. Rates range from 3% to 5%.	15,860,000
$22,770,000 General Obligation Refunding and Improvement Bonds, Series 2015 due in annual principal payments ranging from $620,000 to $4,730,000 through September 15, 2035. Rates range from 2% to 4%.	14,690,000
$43,195,000 General Obligation Refunding and Improvement Bonds, Series 2016 due in annual principal payments ranging from $1,185,000 to $8,445,000 through September 15, 2036. Rates range from 4% to 5.5%.	28,990,000
$30,080,000 General Obligation Bonds, Series 2017A due in annual principal payments ranging from $235,000 to 3,105,000 through September 15, 2037. Rates range from 3% to 5%.	26,975,000
$30,405,000 General Obligation Refunding Bonds, Series 2017B due in annual principal payments ranging from $1,205,000 to $2,885,000 through September 15, 2029. Rates range from 4% to 6%.	29,200,000
$2,545,000 Tax Notes, Series 2018 due in annual principal payments ranging from $505,000 to $510,000 through September 15, 2022. Rate is 2.09%.	2,040,000
$2,860,000 Tax Notes, Series 2018A due in annual principal payments ranging from $345,000 to $840,000 through September 15, 2022. Rate is 5%.	2,515,000
$40,660,000 General Obligation Bonds, Series 2018 due in annual principal payments ranging from $825,000 to $3,440,000 through September 15, 2038. Rates range from 3.375% to 5%.	40,660,000
	$ 247,160,000

Special Revenue Bonds

$8,750,000 Combination Tax and Revenue Certificates of Obligation, Series 2013A due in annual principal payments ranging from $40,000 to $780,000 through September 15, 2032. Rates range from 2% to 3%.	$	8,440,000
$3,210,000 Combination Tax and Revenue Certificates of Obligation, Series 2013B due in annual principal payments ranging from $40,000 to $250,000 through September 15, 2032. Rates range from 2% to 3.125%.		2,900,000
$5,775,000 General Obligation Refunding Taxable Bonds, Series 2013 due in annual principal payments ranging from $625,000 to $695,000 through September 15, 2021. Rates range from 1% to 2.25%.		2,045,000
$20,725,000 Combination Tax and Revenue Certificates of Obligation, Series 2014 due in annual principal payments ranging from $395,000 to $2,010,000 through September 15, 2033. Rates ranges from 3% to 5%.		20,330,000
$24,660,000 Hotel Occupancy Tax Revenue Refunding Bonds, Taxable Series 2014A due in annual principal payments ranging from $195,000 to $1,805,000 through August 15, 2053. Rates range from 4.606% to 7.25%.		24,660,000
$39,655,000 Hotel Occupancy Tax Revenue Bonds, Tax-Exempt Series 2014B due in annual principal payments ranging from $190,000 to $3,375,000 through August 15, 2043. Rates range from .65% to 5.5%.		36,905,000
$13,025,000 Combination Tax and Revenue Certificates of Obligation, Taxable Series 2017A due in annual principal payments ranging from $155,000 to $995,000 through September 15, 2037. Rates range from 3.1% to 3.65%		12,615,000
$25,040,000 Combination Tax and Revenue Certificate of Obligation, Taxable Series 2017B due in annual principal payments ranging from $395,000 to $1,775,000 through September 15, 2046. Rates range from 3.25% to 3.5%		25,040,000
$107,610,000 Combination Tax and Hotel Occupancy Tax Revenue Refunding Bonds, Series 2017 due in annual principal payments ranging from $1,490,000 to $9,080,000 through September 15, 2039. Rates range from 3% to 5.5%.		104,750,000
	$	237,685,000

Revenue Bonds

$29,095,000 Solid Waste Disposal System Revenue Refunding Taxable Bonds, Series 2012 due in annual principal payments ranging from $150,000 to $2,365,000 through September 30, 2032. Rate is fixed at 4.67% for 15 years, thereafter based on adjusted LIBOR rate plus 270 basis points.	$	25,045,000
	$	25,045,000

(Remainder of page left blank intentionally)

Business-Type Activities

Revenue Bonds

$21,475,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2009 due in annual principal payments ranging from $680,000 to $2,595,000 through August 15, 2029. Rates range from 3% to 5%.	$	9,955,000
$69,005,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2011 due in annual principal payments ranging from $1,370,000 to $6,165,000 through August 15, 2031. Rates range from 4.5% to 5%.		32,220,000
$40,035,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2012, due in annual principal payments ranging from $630,000 to $3,745,000 through August 15, 2032. Rates range from 1% to 3%.		22,755,000
$17,430,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2013, due in annual principal payments ranging from $600,000 to $1,210,000 through August 15, 2033. Rates range from 2% to 4.25%.		14,170,000
$17,095,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2015, due in annual principal payments ranging from $470,000 to $1,265,000 through August 15, 2035. Rates range from 2% to 4%.		16,115,000
$30,265,000 Waterworks and Sewer System New Lien Revenue Refunding and Improvement Bonds, Series 2016, due in annual principal payments ranging from $775,000 to $2,875,000 through August 15, 2036. Rates range from 3% to 5%.		24,750,000
$19,910,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2017A, due in annual principal payments ranging from $365,000 to $1,400,000 through August 15, 2037. Rates range from 3% to 5%.		19,545,000
$19,285,000 Waterworks and Sewer System New Lien Revenue Refunding Bonds, Series 2017B, due in annual principal payments ranging from $40,000 to 2.265,000 through August 15, 2028. Rates range from 2% to 5%.		18,510,000
$15,305,000 Waterworks and Sewer System New Lien Revenue Improvement Bonds, Series 2018, due in annual principal payments ranging from $435,000 to 1,095,000 through August 15, 2038. Rates range from 3% to 5%.		15,305,000
$2,120,000 Municipal Drainage Utility System Revenue Bonds, Series 2010 due in annual principal payments ranging from $80,000 to $145,000 through August 15, 2030. Rates range from 2% to 4.25%.		1,430,000
$2,660,000 Municipal Drainage Utility System Revenue Bonds, Series 2013 due in annual principal payments ranging from $95,000 to $190,000 through August 15, 2033. Rates range from 2% to 4.375%.		2,150,000
	$	176,905,000

Long-term liability activity for the year ended September 30, 2018 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds:					
General obligation bonds	$ 221,485	$ 46,065	$ 20,390	$ 247,160	$ 21,255
Special revenue bonds	260,300	107,610	130,225	237,685	4,405
Revenue bonds	26,295	-	1,250	25,045	1,305
Net premiums	16,030	16,933	2,444	30,519	3,743
Total bonds payable	524,110	170,608	154,309	540,409	30,708
Other liabilities:					
Liability for insurance claims	8,305	24,870	24,716	8,459	4,654
Lease payable	5,667	1,321	1,278	5,710	1,549
Compensated absences	31,835	16,482	15,624	32,693	1,962
OPEB liability	12,149	1,426	-	13,575	-
Net pension liability	167,139	-	41,121	126,018	-
Other obligations:					
NCTCOG	976	-	-	976	976
State comptroller	293	-	293	-	-
Total other liabilities	226,364	44,099	83,032	187,431	9,141
Total governmental activities long term liabilities	$ 750,474	$ 214,707	$ 237,341	$ 727,840	$ 39,849

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds and contractual obligations payable payable:					
Revenue bonds	$ 177,570	$ 15,305	$ 15,970	176,905	$ 16,755
Net premiums	11,651	1,244	1,879	11,016	1,734
Water supply obligations	16,558		355	16,203	367
OPEB liability	2,092	244	-	2,336	-
Net pension liability	15,236	-	6,548	8,688	-
Landfill closure and postclosure care liability	5,392	268	-	5,660	-
Compensated absences	1,102	1,149	1,091	1,160	70
Total business-type activities long-term liabilities	$ 229,601	$ 18,210	$ 25,843	$ 221,968	$ 18,926

The City intends to retire its general obligation bonds, plus interest, from future ad valorem taxes and other revenues. Special revenue bonds, plus interest, will be repaid from future revenues such as hotel occupancy taxes, ad valorem taxes, public improvement district assessments, city and state local taxes and mixed beverage taxes. Solid Waste Disposal System Revenue bonds will be repaid from budgeted economic development revenues of the General Fund. Compensated absences, net pension obligations and net other postemployment benefit obligations are generally liquidated by the General Fund. The City has other obligations payable to North Central Texas Council of Governments (NCTCOG) and is payable per a land bank agreement and amount is estimated to be due in fiscal year 2020 and will be paid from available economic development funds in the

General Fund. Revenue bonds and water supply obligations of the Water and Sanitary Sewer Enterprise Fund and Municipal Drainage revenue bonds will be repaid, plus interest, from the net operating revenues of the funds. Future obligations for landfill closure and compensated absences will be funded using current and future revenues.

Annual debt service requirements to maturity for long-term bonded debt are as follows (in thousands):

Governmental Activities	General Obligation Bonds		Special Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Years ending September 30:						
2019	$ 21,255	$ 10,929	$ 4,405	$ 10,370	$ 1,305	$ 1,170
2020	21,705	9,597	5,125	10,209	1,370	1,112
2021	22,285	8,617	6,060	10,007	1,430	1,044
2022	21,370	7,618	6,365	9,761	1,500	978
2023	20,660	6,676	6,925	9,476	1,570	908
2024-2028	75,240	21,813	46,180	42,122	9,020	3,372
2029-2033	45,545	7,975	56,095	31,252	8,850	1,057
2034-2038	19,100	1,636	58,260	19,651	-	-
2039-2043	-	-	31,750	9,456	-	-
2044-2048	-	-	8,640	4,368	-	-
2049-2053	-	-	7,880	1,793	-	-
Total	$ 247,160	$ 74,861	$ 237,685	$ 158,465	$ 25,045	$ 9,641

Business-Type Activities	Revenue Bonds		Water Supply Obligations	
	Principal	Interest	Principal	Interest
Years ending September 30:				
2019	$ 16,755	$ 7,357	$ 367	$ 527
2020	16,375	6,512	379	515
2021	15,590	5,776	391	503
2022	13,920	5,150	404	490
2023	12,530	4,566	417	477
2024-2028	51,980	15,521	2,297	2,172
2029-2033	34,600	6,161	2,696	1,774
2034-2038	15,155	1,336	3,164	1,306
2039-2043	-	-	2,845	770
2044-2048	-	-	1,929	406
2049-2051	-	-	1,314	87
Total	$ 176,905	$ 52,379	$ 16,203	$ 9,027

(a) General Obligation Bonds and Tax Notes

On July 5, 2018, the City of Irving issued $40,660,000 in General Obligation Bonds, Series 2018. Proceeds including $5,168,513 in net reoffering premiums will be used to provide (a) $27,200,000 for street improvements, (b) $3,830,000 for park improvements, (c) $1,300,000 for City building improvement, (d) $700,000 in fire services improvements, (e) $750,000 for radio communication improvements, (f) $11,720,000 in drainage improvements and (g) the cost associated with the issuance of bonds. These 20 year bonds have interest rates that range from 3.375% to 5%. Principal payments range from $825,000 to $3,440,000 and are payable annually and interest is payable semi-annually until maturity (September 15, 2038).

On April 18, 2018 and July 5, 2018, the City of Irving issued $2,545,500 in Tax Notes, Series 2018 and $2,860,000 in Tax Notes, Series 2018A respectively. Tax Notes, Series 2018A included $217,092 in net premiums. Proceeds from both issues will be used (a) to acquire information technology related equipment and replacements and (b) the cost associated with the issuance of bonds. Tax Notes, Series 2018 and Series 2018A have annual rates of 2.09% and 5% respectively. Principal payments range from $505,000 to $510,000 for Series 2018 and $345,000 to $840,000 for Series 2018A and are payable annually and interest payable semi-annually until maturity (September 15, 2022).

The City is required by ordinance to create from ad valorem tax revenues a sinking fund sufficient to pay the current principal and interest installments as they become due. The Debt Service Fund has $10,894,175 available to service the general obligation bonds and tax notes as of September 30, 2018. The remaining fund balance is available to service special revenue bonds, as well as, revenue bonds.

Arbitrage provisions of the Tax Reform Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the Internal Revenue Service. For the fiscal year ended September 30, 2018, no rebate liability was accrued on General Obligation Bonds.

(b) Special Revenue Bonds

On October 19, 2017, the City of Irving issued $107,610,000 in Combination Tax and Hotel Occupancy Tax Revenue Refunding Bonds, Series 2017. Total sources received in this refunding was $133,557,609 comprised of $119,157,609 of bond proceeds including premiums, $11,100,000 from prior reserve funds and $3,300,000 from funds dedicated for debt service. Sources from this refunding are to be used to redeem $125,255,000 of Combination Tax & Hotel Occupancy Tax Revenue Certificates of Obligation, Series 2009 and pay the cost associated with the issuance. The refunding bonds have interest rates that range from 3% to 5.5%. Principal payments range from $1,490,000 to $9,080,000 and are payable annually and interest payable semi-annually until maturity (September 15, 2039). The amount remitted to the escrow agent was $132,363,613 and will be held by the escrow agent until refunded bonds are redeemed. The reacquisition price exceed the net carrying amount of the old debt by $8,294,413. The amount is being amortized over the life of the refunded debt which is the same as the life of the new debt issued. This advanced refunding resulted in an economic gain of $23,055,718 and a reduction of debt service payments of $54,381,255.

The Combination Tax and Revenue Certificates of Obligation Bonds are Special Revenue bonds secured and payable from a pledge of ad valorem taxes, as well as, other specified pledged revenue such as (a) special assessments levied within the Public Improvement District, (b) State sales taxes,

State hotel occupancy taxes, City's sales taxes, mixed beverage taxes paid within the Convention Center Hotel project for a ten year period and (c) 5/7th of the hotel occupancy tax collected at the Convention Center Hotel project.

The Hotel Occupancy Tax Revenue Bonds, Combination Tax and Hotel Occupancy Tax Revenue Certificates of Obligation and the General Obligation Refunding Taxable Bonds are Special Revenue Bonds secured and payable from a pledge of both hotel occupancy taxes and ad valorem taxes.

The City is required by Bond Ordinance to create and maintain an Interest and Sinking Fund to be used for the payment of debt service on the Special Revenue Bonds outstanding. These funds are restricted in use as explained below.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Special Revenue Bonds as they become due and payable. The City is required to make quarterly deposits to the fund to meet the debt service requirements. Amounts available to service the Special Revenue Bonds totaled $1,339,789.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the Special Revenue Bonds if the amount in the Interest and Sinking Fund is insufficient for such purpose. As of September 30, 2018, the total amount required to be accumulated in the Reserve Fund is $5,481,294. Actual accumulation in the Reserve fund at September 30, 2018 is $5,632,088.

(c) Solid Waste Disposal System (Heritage) Revenue Bonds

The Solid Waste Disposal System (Heritage) Revenue Bonds are payable solely from and secured by a lien on and pledge of the Solid Waste Disposal System revenues; the debt service payments are made from the General Fund; therefore, the bonds are reflected as governmental activities.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Solid Waste Disposal System Revenue Bonds as they become due and payable. The City is required to make monthly deposits to the fund to meet the debt service requirements. Amounts available as of September 30, 2018 to service the Revenue Bonds totaled $27,592.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the Solid Waste Disposal System Bonds if the amount in the Interest and Sinking Fund is insufficient for such purpose. On June 7, 2012, the reserve requirement for these revenue bonds was established at $2,418,815 which is determined by the lesser of (i) Maximum Annual Debt Service at date of issuance, (ii) 125% of average Debt Service or (iii) 10% of the original principal of bonds at date of issuance. As of September 30, 2018, the total amount required to be accumulated in the Reserve Fund is $2,481,815. Actual accumulation in the Reserve fund at September 30, 2018 is $2,560,531.

(d) Municipal Drainage Utility System Revenue Bonds

The Revenue Bonds are payable solely from and secured by a lien on and pledge of the Pledged Revenues of the Municipal Drainage Utility.

Interest and Sinking Fund – The Interest and Sinking Fund is used to pay principal and interest on the Municipal Drainage Utility System Revenue Bonds as they become due and payable. The City is required to make equal monthly installments to the fund to meet the debt service requirements. Amounts available to service the Municipal Drainage Utility System Revenue Bonds totaled $353,944 at September 30, 2018.

Reserve Fund – The Reserve Fund is to be used to pay principal and interest on the revenue bonds if the amount in the Bond Fund is insufficient for such purpose. As of September 30, 2018, the total amount required to be accumulated in the Reserve Fund is $317,340. Actual accumulation in the Reserve fund at September 30, 2018 is $334,757.

(e) Water and Sanitary Sewer Revenue Bonds

On July 5, 2018, the City sold $15,305,000 of Waterworks & Sewer System New Lien Revenue Improvement bonds, Series 2018. The bond proceeds and $1,243,546 of net premiums are to be used for certain improvements and extensions to the City's Waterworks and Sewer System and pay the cost associated with the issuance of the bonds.

The Revenue Bonds are payable solely from and secured by a lien on and pledge of the Pledged Revenues of the City's Waterworks and Sewer System (the System).

Arbitrage provisions of the Tax Reform Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the Internal Revenue Service. For the fiscal year ended September 30, 2018, no rebate liability was accrued on Water and Sewer Revenue Bonds.

The City is required by Bond Ordinance to create and maintain certain funds to be held for the payment of debt service on the outstanding Revenue Bonds. These funds, as fully explained below, are restricted in use and held by the City.

New Lien Interest and Sinking Fund – The New Lien Interest and Sinking Fund is used to pay principal and interest on the New Lien Revenue Bonds as they become due and payable. The City is required to make equal monthly deposits to the fund to meet the debt service requirements. As of September 30, 2018, the amount required should be 1/12 of the next principal payment and 1/6 of the next interest payment totaling $1,883,520. Amounts held in the New Lien Interest and Sinking Fund totaled $3,067,548 at September 30, 2018.

New Lien Reserve Fund – The New Lien Reserve Fund is used to pay principal and interest on the New Lien Revenue Bonds falling due at any time amounts in the New Lien Interest and Sinking Fund are insufficient to meet such payments. The Bond Ordinance requires the City to maintain an amount equal to greater of (i) 50% of the average annual principal and interest requirements of all outstanding bonds or (ii) 33.3% of the maximum annual principal and interest requirements of all outstanding bonds. Based on the outstanding New Lien Revenue Bonds at September 30, 2018, the total amount required to be accumulated within 60 months in the New Lien Reserve Fund is $7,913,949. Amounts held in the New Lien Reserve Fund at September 30, 2018 totaled $7,913,949.

Compliance with Debt Covenants – At September 30, 2018, and for the year then ended, management believes that the City was in compliance with all financial bond covenants on outstanding revenue and general obligation debt.

(f) Water Supply

On March 29, 1968, the City entered into a water supply contract (the Agreement) with the U.S. government whereby the City has received the right to utilize a specified supply of water stored at Lake Chapman (formerly Cooper Reservoir), which has been designated for municipal and industrial use. The City began amortizing these rights in fiscal year 2004 over the term of the related obligation of 50 years. Interest rate on the obligation is 3.25%.

Under the provisions of the Agreement, the City has incurred a contractual obligation which represents a specified percentage of the construction costs of the Lake by the U.S. Army Corps of Engineers, including estimated future operation, maintenance, and replacement costs after completion of the project.

The first payment for initial water supply use was due and payable within 30 days following the date upon which the Lake became operative for other purposes (date of deliberate impoundment September 28, 1991). Payments thereafter are due within 30 days of the anniversary date of the first payment. The first payment for future water supply use was due and payable within 30 days of the 10th anniversary of the date of notification of deliberate impoundment.

(g) Defeased Bonds Outstanding – In current and prior years, the City issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2018, $125,255,000 of bonds outstanding are considered defeased.

(8) Contractual Obligations for Water Supply and Wastewater Treatment

Long-term contracts between the City and other governmental authorities give the City specified rights to water supply and wastewater treatment, in return for payment of costs to construct facilities serving the City and a portion of the operating expenses of those facilities.

Wastewater Treatment

On March 16, 1973, the City entered into an agreement with the Trinity River Authority (TRA) whereby TRA agreed to provide a wastewater treatment and disposal system for the benefit of the City and other cities located within the Upper Trinity River Basin. Each city pays its proportionate share of operating expenses and debt service of TRA. The City's annual payment for the year ended September 30, 2018 was $25,587,488. The agreement will remain in effect through the year 2023 or until any outstanding bonds or refunding bonds have been paid in full.

Water Supply

On February 22, 1955, the City, the City of Grand Prairie and the City of Dallas entered into an agreement whereby Dallas would provide treated water supply. The current contract expires in 2033. The annual payment for the year ended September 30, 2018 was $2,953,419.

On June 30, 2003, the City entered into an agreement with the City of Dallas whereby Dallas would provide treatment of and storage for the City's water from Jim Chapman Lake for thirty years. The annual payment for the year ended September 30, 2018 was $5,559,249.

(9) Inter-fund Balances

(a) ***Inter-fund Receivables and Payables:*** Inter-fund receivable and payable balances at September 30, 2018 were as follows:

	Receivables	Payables
General fund	$ 1,110,508	$ -
Non-major governmental	-	1,110,508
Total	$ 1,110,508	$ 1,110,508

Inter-fund receivables and payables consist of:

- Administrative fees for the collection, accounting and distribution of hotel occupancy taxes due to General Fund.
- Receivables due from various non-major funds to the General fund;

These balances are expected to be liquidated during the next fiscal year.

(b) ***Inter-fund Transfers:*** Transfers are made from one fund to the other for services or assets provided to other funds. Transfers made between funds during the year are listed below.

	Transfers In			
	General Fund	Debt Service Fund	Non-major Governmental	Total
Transfers out:				
General Fund	$ -	$ 2,477,976	$ 4,396,776	$ 6,874,752
TIF	81,500	1,804,864	-	1,886,364
Solid Waste	-	1,011,382	-	1,011,382
Non-major governmental funds	1,431,828	11,295,366	500,000	13,227,194
	$ 1,513,328	$ 16,589,588	$ 4,896,776	$ 22,999,692

Inter-fund transfers consist of:

- General Fund to Debt Service for debt payments of revenue bonds;
- TIF transfers for debt payments and administrative cost.
- Convention Center Complex and Entertainment Venue, and Solid Waste funds to the Debt Service Fund to pay for the debt related to these activities;
- General Fund to several grants within the non-major governmental fund for grant activities and projects;

- Transfers within non-major governmental funds to pay for capital projects.

(10) Self-Insurance Fund

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, natural disasters, and outstanding medical claims. During fiscal year 1989, the City established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of $500,000 for each workers' compensation, employer liability claim, and combined workers' compensation and employer liability, and all physical damages to City vehicles. The City purchases commercial insurance for claims in excess of coverage provided by the Self Insurance Fund and for all other risks of loss. Settled claims have not exceeded their commercial coverage for any of the past three fiscal years. The City also accounts for the provision of employee health insurance through the City-sponsored PPO and indemnity plan. Premiums are paid into the fund by the City and by employees. Premiums are set by actuaries at an amount to cover claims, fees, administrative costs and the purchase of excess reinsurance. All actuarial-determined, outstanding medical claims are expected to be paid within the next twelve months.

All funds of the City participate in the program and make payments to the Self-Insurance Fund based on historical cost and actuarial estimates of the amounts needed to pay any unfunded portions of prior year claims and estimated current year claims and to establish a reserve for catastrophic losses. The reserve was $24,343,078 at September 30, 2018, which is represented by the net position of the City's Self-Insurance Fund. The claims liability of $8,459,469 reported in the fund at September 30, 2018 is based on the requirements of GASB No. 10, as amended, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. It requires that a liability for claims be reported if information, prior to the issuance of the financial statements, indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. Effective January 1, 2007, the City no longer offered an HMO insurance plan. Employees previously in the HMO plan had the option to elect the City-sponsored PPO plan. The increase in participants resulted in increase in claims activity. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and if probable material, salvage, and subrogation. Changes in the estimated liability for unpaid claims in fiscal years 2017 and 2018 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2016-2017	$ 9,398,203	$ 23,024,740	$ 24,118,150	$ 8,304,793
2017-2018	$ 8,304,793	$ 24,870,448	$ 24,715,772	$ 8,459,469

(11) Employee Pension Plans

The City participates in three retirement plans at September 30, 2018. The Firemen's Relief and Retirement Fund (FRRF) is a defined benefit plan covering the City's firefighters. The Supplemental Benefit Plan is a contributory defined benefit plan covering all full-time City employees (excluding Fire Civil Service employees and nonresident aliens). The City is also a member of the Texas Municipal Retirement System (TMRS). TMRS is a statewide agent multi-employer, joint contributory, hybrid-defined benefit plan.

For employees participating in FRRF or TMRS, the total annual amount of the City contribution for retirement benefits for such employees shall not exceed 16.75% of the total annual salaries of such employees.

The FRRF and the Supplemental Benefit Plan are reported using the economic resources measurement focus and the accrual basis of accounting. Contributions, benefits, and refunds paid are recognized when due.

A summary of the net pension liability, deferred outflow and inflows and pension expense are below and discussed further in detail in the following footnote:

	FRRF	SBP	TMRS	Total
Net pension Liability	$ 75,794,333	$ 23,666,981	$ 35,245,572	$ 134,706,886
Deferred outflow	18,372,396	5,722,370	17,458,525	41,553,291
Deferred inflow	5,091,187	-	19,754,990	24,846,177
Pension expense (current year)	5,631,441	1,550,377	1,204,746	8,386,564

(a) Firemen's Relief and Retirement Fund (FRRF)

The Board of Trustees of the Irving FRRF is the administrator of the FRRF, a single-employer contributory defined benefit pension plan. FRRF is not a part of the City's reporting entity because the City does not have fiduciary responsibility of the FRRF assets, is not able to impose its will on the FRRF, nor is the FRRF fiscally dependent on the City, since the Board of Trustees has the ability to complete certain essential fiscal events such as the determination of employee contribution rates, without approval by the City, and the board is not appointed by the City Council. FRRF covers current and former Fire Department personnel of the City, as well as certain beneficiaries of former Fire Department personnel. Separate audited financial statements are available and can be obtained by contacting Irving Fire Department at the City of Irving, 845 W. Irving Blvd, Irving, Texas 75060.

All full-time employees of the City of Irving Fire Department are members of the Irving FRRF.

Benefits: Members and the City each contribute to the Fund. Members contributions are "picked up" by the City, as permitted under Section 414(h)(2) of the Internal Revenue Code. For this reason, a member's contributions are excluded from his taxable income when paid into the Fund.

Members receive credit for service for the period of employment during which they pay into, and keep on deposit in the Fund, the contributions required by the Fund. Service also includes periods

during which the member received a disability benefit from the Fund in excess of the minimum $200 monthly benefit for covered members. However, the service granted during periods of disability is limited to the amount of service, if any, necessary to bring the member's total service up to 20 years.

Retirement, death, disability and terminations benefits are calculated based upon a member's average compensation. Average compensations is based on the member's pay for the 78 consecutive two-week pay periods during which his total pay was the highest.

Service retirement benefits are payable for the member's lifetime. In the event a member's death precedes that of their spouse, two-thirds of the member's pension will be continued to the spouse for their lifetime. A member is eligible to elect early retirement upon completion of 20 years of service and attainment of age 45. A member who retires under the early retirement provisions of the Fund will receive reduced monthly retirement benefits.

In the event of the disability of a plan participant before the date the plan participant qualifies for a service retirement benefit, the plan participant will receive a monthly benefit, payable in the same form as the service retirement benefit. However, disability benefits stop if a member recovers to the point they no longer meet the definition of disability under the plan.

In the event of the death of a plan participant who is in active service, the plan participant's spouse will receive a monthly benefit equal to the sum of 42.33 percent of the member's average monthly compensation, plus two-thirds of the monthly retirement benefit which the member had accrued as of the date of his or her death. This benefit is payable for the spouse's lifetime; however, in the event of the spouse's death, the benefit is continued to the children eligible for the orphan's benefit.

The sum of all benefits payable on behalf of a plan participant may not exceed the service retirement benefit to which participant was entitled as of the date of participant's death. In the event such benefits do exceed this limit, each beneficiary's benefit is reduced pro rata until the sum of the benefits complies with this limitation.

If a plan participant has completed at least 20 years of service but has not attained age 50 on participant's date of termination, participant will be entitled to receive a monthly retirement income commencing at age 50. The amount of such benefit will equal the monthly retirement benefit the plan participant had earned as of participant's date of termination.

Plan participants who terminate service prior to the date they complete ten years of service will be entitled to receive the return of their employee contributions. However, plan participants who terminate with at least ten years of service may elect to receive, in lieu of their accumulated contributions, a monthly retirement benefit, commencing on the date the plan participant would have both attained age 50 and completed 20 years of service, equal to a pro rata share of participant's anticipated retirement benefit at date of termination, multiplied by the appropriate vested percentage.

The types of employees covered and current plan membership as of December 31, 2017 (the date of the most recent Plans financial statement) are as follows:

Retirees and beneficiaries currently receiving benefits	186
Terminated employees entitled to but not yet receiving benefits	2
Active members	365
Total	553

Contributions: The Irving FRRF is subject to a state-mandated minimum employer contribution rate equal to the lessor of (a) the fire fighter contribution rate or (b) 12 percent of covered payroll. The contribution rates of Plan members and the City are established under the terms of the Plan. An actuarial valuation is performed every two years to evaluate the levels to which Plan assets and contributions are able to meet the benefit liability. Cost of administering the Fund are paid form Plan assets.

The member's contribution rate was 12 percent of their covered payroll from October 1, 2017 to December 31, 2017 and 13 percent of covered payroll from January 02, 2018 to September 30, 2018. Effective January 01, 2017, the City began contributing to the fund at a rate of 16.75% of covered payroll.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2017 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation prepared as of December 31, 2017.

Actuarial assumptions: The TPL was determined using the following assumptions utilized in the preparation of the actuarial report prepared as of December 31, 2017:

Inflation	2.75%
Salary increases	3.00% to 11.30%, including inflation
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation

Salary increases were based on service related tables. Mortality rates were changed from RP2000 Mortality Table, male and female rates, projected to 2015 using scale AA, with separate rates from males and females to the Employee and Healthy Annuitant Combined Rates from the RP-2000 Mortality Table, projected to 2024 using Scale AA, with separate rates for males and females. The mortality changes were made in order to recognize mortality improvement through the valuation date and provide a margin for future mortality improvements. The assumed retirement age and the salary increase rates were developed based on the plan's own experience. Disability and termination rates were based on published rates. The actuarial cost method used in the valuation is the individual entry age normal actuarial.

The assumed retirement age for active members are based on a study which developed rates of retirement for ages 50 through 62, the age at which the large majority of retirements occur. Twenty years of service is required in order to be eligible for service retirement under the fund. The rate at which active members' salary is assumed to increase each year is 3.50% compounded annually.

The assumed 7.50 percent rate of return can be considered to include a provision for inflation at 2.75 percent per year, although other combinations of real return, risk premium and inflation are also accounted for by an 7.50 percent assumed rate. The rate of return is net of trust expenses. The same inflation component was used in the assumed rate of return on the actuarial value of assets, the assumed increases in compensation for individual members and other actuarial assumptions.

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	9.57%	0.22%
Large Cap Growth	12.41%	0.86%
Large Cap Value	12.12%	1.06%
Small and Mid Cap Growth	5.72%	0.45%
Small and Mid Cap Value	3.51%	0.29%
Emerging Markets	4.98%	0.41%
International Equity	16.09%	0.81%
Real Estate	19.06%	1.57%
Absolute Return	5.12%	0.56%
Alternative Investments	8.87%	0.20%
Cash and Short-term Fixed	2.55%	0.00%
	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and the contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2016	$ 263,248,311	$ 186,556,007	$ 76,692,304
Changes for the year			
Service cost	5,461,243	-	5,461,243
Interest	21,589,896	-	21,589,896
Change in benefit terms	-	-	-
Difference between expected and actual experience	(744,153)	-	(744,153)
Changes in assumption	14,226,764	-	14,226,764
Contributions - employer	-	5,404,238	(5,404,238)
Contributions - employee	-	4,058,163	(4,058,163)
Net investment income	-	32,063,819	(32,063,819)
Benefit payments, including refunds of employee contributions	(14,027,717)	(14,027,717)	-
Administrative expense	-	(97,045)	97,045
Other changes	-	2,546	(2,546)
Net changes	26,506,033	27,404,004	(897,971)
Balance at 12/31/2017	$ 289,754,344	$ 213,960,011	$ 75,794,333

The following presents the net pension liability of the City calculated using the discount rate of 7.50 percent, as well as, what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher that the current rate:

	1% Decrease 6.50%	Current 7.50%	1% Increase 8.50%
City's net pension liability	$ 98,213,820	$ 75,794,333	$ 56,556,973

Pension Plan Fiduciary Net Position: Detailed information about the Plan's Net Position is available in a separately issued audited financial statements and can be obtained by contacting the Irving Fire Department at the City of Irving at 845 W. Irving Blvd, Irving, Texas 75060.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2018, the City recognized pension expense of $5,631,441.

At September 30, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between projected and actual investment earnings	$ -	$ 4,006,132
Assumption changes	14,015,446	-
Difference between expected and actual experience	-	1,085,055
Contributions subsequent to the measurement date	4,356,950	-
	$ 18,372,396	$ 5,091,187

Deferred outflow of resources related to pensions resulting from contributions subsequent to the measurement date of $4,356,950 will be recognized as a reduction of the net pension liability for the measurement date year ending December 31, 2018 (i.e., recognized in the City's financial statements September 30, 2019). Other amounts reported as deferred outflows and inflow of resources related to pensions will be recognized in pension expense as follows:

	Outflow (inflows) of Resources
2018	$ 3,369,741
2019	2,007,305
2020	(1,788,647)
2021	(1,965,867)
2022	1,407,166
Thereafter	5,894,561
	$ 8,924,259

(b) Supplemental Benefit Plan

Effective March 1, 1984, the City established the City of Irving Supplemental Benefit Plan (SBP), a single-employer contributory defined benefit plan. The plan covers employees who are members of the Texas Municipal Retirement System (Government and Police employees). Participation in the plan provides employees the opportunity to supplement their retirement income as these employees will not be eligible for Social Security benefits based on their employment with the City. The plan also replaces to the extent possible, the types of benefits previously provided by the Social Security System such as survivor and disability benefits. Separate audited financial statements are available and can be obtained by contacting City of Irving Supplemental Benefit Plan, 825 W. Irving Blvd, Irving, Texas 75060.

Benefits: SBP provides retirement benefits, as well as, death and disability benefits. Retirement benefits vest after five years of credited service. Employees who retire at or after age 65 are entitled to an annual retirement benefit, payable for life or life of the beneficiary, depending on the benefit option selected by the retirees. Benefits are calculated based on 1/12 of 0.6% of their final average earnings for each year of credited service. The final average earnings amount is the average earnings in the three consecutive calendar years of service producing the highest such average. Employees are eligible for early retirement age at age 60 after five years of service, or at any age after completion of 20 years of service. All early retirees receive a reduced retirement benefit. Covered employees are required to contribute 2.5% of their earnings to SBP. If an employee leaves covered employment for reasons other than retirement, disability or death with less than five years of credited service, accumulated employee contributions are returned to the employee without interest. If an employee has five or more years of credited service, they may select either a refund of their contributions without interest or a monthly income payable at age 60 equal to the retirement benefit earned to date of termination. Disability benefits are payable six months after an employee is determined to be disabled under the provisions of SBP. Benefits are payable monthly and are equal to 1/12 of 70% of the participant's annualized pay rate at date of disablement reduced by disability income from the TMRS, Social Security, and workers' compensation. SBP also provides death benefits payable monthly to dependent children until attainment of age 25 and a single sum benefit to the surviving spouse.

Employees covered by benefit terms: All City full-time employees except Fire Civil Service employees are covered by SBP. As of December 31, 2017, membership consisted of:

Retirees and beneficiaries	404
Inactive, nonretired members (includes non vested members entitled to refund)	260
Active members	1,451
Total	2,115

Contributions: The employee contribution rate is 2.50%. The City Council established a maximum employer contribution level, which could be provided to support the benefits of the SBP. Council Resolution #12-16-82-582, enacted December 13, 1982, provided, in part, that the contribution to the SBP shall not exceed the Social Security tax which would otherwise be payable with respect to covered employees plus 3.69% of the salaries of such employees, less the City's contribution to the TMRS. In January 1995, the City had ceased all employer contributions, but beginning January 1, 2012, Council approved resuming contributions to the Plan. For fiscal year 2018, the City made contributions of 2.14% for the months in 2017 and contribution of 2.07%% for the months in 2018. The total pension rates for 2018 are in compliance with the City Charter cap limit of no more than 16.75% of total salaries & wages contributed to retirement benefit plans. SBP, which is considered part of the City's financial reporting entity, is included in this report as a pension trust fund.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2017 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation dated January 1, 2018.

Actuarial assumptions: The TPL in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.50% to 10.50%, including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates were based on the RP-2000 Tables for males and females projected on a fully generational basis by scale BB to account for future mortality experience.

The actuarial assumptions used in the January 1, 2018 valuation were adopted by the Board to match the assumptions used by TMRS in their valuation of the City's TMRS liabilities. The assumptions are internally consistent and are considered reasonable, based on past and anticipated future experience of the Plan.

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the SPB Board. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the funding needs of the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return (Arithmetic)
Cash and equivalents	0% to 1%
Diversified portfolio of domestic and international fixed income investments	1% to 3%
Diversified portfolio of domestic or global real estate	2% to 6%
Diversified portfolio of domestic and international common stocks	4% to 8%

Discount Rate: The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contributions rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of

current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.
Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2016	$ 78,400,901	$ 52,258,122	$ 26,142,779
Changes for the year			
Service cost	3,086,079	-	3,086,079
Interest	5,273,704	-	5,273,704
Change in benefit terms	-	-	-
Difference between expected and actual experience	288,848	-	288,848
Changes in assumption	-	-	-
Contributions - employer	-	2,083,347	(2,083,347)
Contributions - employee	-	2,585,695	(2,585,695)
Net investment income	-	6,592,197	(6,592,197)
Benefit payments, including refunds of employee contributions	(3,639,007)	(3,639,007)	-
Administrative expense	-	(136,810)	136,810
Other changes	-	-	-
Net changes	5,009,624	7,485,422	(2,475,798)
Balance at 12/31/2017	$ 83,410,525	$ 59,743,544	$ 23,666,981

Sensitivity of the net pension liability to changes in the discount rate: The sensitivity of the net pension liability to change in the discount rate, the following presents the plan's net pension liability, calculated using a discount rate of 6.75%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percent lower and one percent higher.

	1% Decrease 5.75%	Current 6.75%	1% Increase 7.75%
City's net pension liability	$ 35,201,964	$ 23,666,981	$ 14,188,120

Pension Plan Fiduciary Net Position: Detailed information about the Plan's Net Position is available in a separately issued audited financial statements and can be obtained by contacting City of Irving Supplemental Benefit Plan at 825 W. Irving Blvd, Irving, Texas 75060.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2018, the City recognized pension expense of $1,550,377.

At September 30, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

		Deferred Outflow of Resources
Difference between expected and actual economic experience	$	331,241
Assumption changes		2,960,831
Difference between projected and actual investment earnings		721,240
Contributions subsequent to the measurement date		1,709,058
	$	5,722,370

Deferred outflow of resources related to pensions resulting from contributions subsequent to the measurement date of $1,709,058 will be recognized as a reduction of the net pension liability for the measurement date year ending December 31, 2018 (i.e., recognized in the City's financial statements September 30, 2019). Other amounts reported as deferred outflows and inflow of resources related to pensions will be recognized in pension expense as follows:

		Net Deferred Outflow (inflows) of Resources
2018	$	1,583,742
2019		1,431,796
2020		625,408
2021		161,478
2022		173,617
Thereafter		37,271
	$	4,013,312

(c) Texas Municipal Retirement System

The City provides pension benefits for all of its full-time employees (except Fire Civil Service).

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits: TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions.

In addition, the City has granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Also, the City has adopted a annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to 30% of the change in the consumer price index (CPI).

A summary of the plan provisions for the City are as follows:

	Plan year 2017
Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	30% of CPI

Employees covered by benefit terms: At the December 31, 2017 valuation and measurement date, the following employees were in covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	983
Inactive employees entitled to but not yet receiving benefits	493
Active employees	1,450
Total	2,926

Contributions: The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2018, the City made contributions of 14.61% for the months in 2017 and contribution of 14.68% for the months in 2018. The City's contributions to TMRS for fiscal year 2018 were $15,316,019 and were equal to the required contributions.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.70%
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustments, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality tables with Blue Collar Adjustments are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2017, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates for healthy and annuity purchase rates are based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as, the production of income, in order to satisfy the short term and long term needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each

major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100.0%	

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

(Remainder of page left blank intentionally)

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/2016	$ 702,423,223	$ 622,883,180	$ 79,540,043
Changes for the year			
Service cost	16,573,549	-	16,573,549
Interest	46,896,183	-	46,896,183
Change in benefit terms	-	-	-
Difference between expected and actual experience	(345,609)	-	(345,609)
Changes in assumption	-	-	-
Contributions - employer	-	14,523,727	(14,523,727)
Contributions - employee	-	7,049,857	(7,049,857)
Net investment income	-	86,315,080	(86,315,080)
Benefit payments, including refunds of employee contributions	(31,903,469)	(31,903,469)	-
Administrative expense	-	(447,396)	447,396
Other changes	-	(22,674)	22,674
Net changes	31,220,654	75,515,125	(44,294,471)
Balance at 12/31/2017	$ 733,643,877	$ 698,398,305	$ 35,245,572

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current 6.75%	1% Increase 7.75%
City's net pension liability	$ 131,393,281	$ 35,245,572	$ (44,479,123)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2018, the City recognized pension expense of $1,204,746.

At September 30, 2018, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual economic experience	$ -	$ 2,346,346
Assumption changes	4,962,978	-
Difference between projected and actual investment earnings	-	17,408,644
Contributions subsequent to the measurement date	12,495,547	-
Total	$ 17,458,525	$ 19,754,990

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $12,495,547 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2018 (i.e. recognized in the city's financial statements September 30, 2019). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflow (inflows) of Resources
2018	$ 2,065,709
2019	861,818
2020	(8,753,852)
2021	(8,965,687)
2022	-
	$ (14,792,012)

(12) Voluntary Employee Beneficiary Association

Effective August 31, 2000, the City established the City of Irving Voluntary Employee Beneficiary Association (VEBA) Trust. The purpose of the plan was to provide a temporary monthly benefit to certain eligible retirees of the City to help cover a portion of the eligible retiree's cost of medical coverage from the City. The benefit was initially established at a level that represented 75% of the "retiree-only" premium for the lowest cost medical plan offered by the City.

The VEBA Plan was significantly amended in September 2004 to include eligible active employees as well as eligible retirees. An eligible retiree means an individual who has retired or was eligible to retire from active service with the City before January 1, 2005 and has at least 25 years of service with the City before January 1, 2005. Benefit is received when the eligible retiree has attained either (i) 55 years of age and at least 30 years of service with the City or (ii) 60 years of age and at least 25 years of service with the City. The period of coverage commences with the enrollment of an eligible employee and ends on the later of (a) the date the eligible employee retires or (b) the last day of the month in which the eligible

employee attains age 65. The monthly subsidy for eligible retirees is fixed at $168.75. Annual VEBA subsidy payments totaled $39,319 in fiscal year 2018.

Existing funds were allocated to establish a reserve sufficient to meet the full funding requirements at the time for the current retirees and future eligible employees. The City has not made contributions during the fiscal year to the Trust.

There are currently 15 retirees enrolled in the plan:

Quality Connect	9
Choice Open Access Plus	4
Open Access Plus	2

Because the amounts in the Trust are for the benefit of both retirees and current employees and because the City has used funds from the Trust to subsidize current employee premiums to the healthcare plan, the Trust does not qualify to be considered an Other Post-Employment Benefit Plan subject to GASB Statement 75.

(13) Other Post-Employment Benefits

In the current fiscal year, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions* (OPEB) that addresses accounting and financial reporting for OPEB that is provided to employees of state and local governmental entities. This statement establishes standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expense. This statement replaces the requirements of GASB Statement No. 45, *Accounting and financial Reporting by Employers for Post-employment Benefits Other Than Pensions,* as amended, and GASB statement No. 57, *OPEB Measurements by Agents Employers and Agent Multiple-Employer Plans.*

The City offers two OPEB plans. Retirees meeting certain requirements can remain on the City's group health and life insurance plan, and the City participates in a defined benefit group-term life insurance known as the Supplemental Death Benefits Fund (SDBF) and is administered by TMRS.

A summary of the OPEB liabilities, deferred outflows and inflows of resources and expenses are below and discussed in further detail in this footnote.

	Retiree Health Care Plan	TMRS-SDBF	Total
OPEB liability	$ 10,826,227	$ 5,084,972	$ 15,911,199
Deferred outflow	660,826	373,245	1,034,071
Expense (current year)	347,736	336,285	684,021

(Remainder of page left blank intentionally)

(a) Retiree Health Care Plan

Plan Description: In addition to the pension benefits described in Note 11, as required by state law and defined by City Policy, the City makes available health care benefits to all employees who retire from the City and who are receiving benefits from the City's sponsored retirement program (Texas Municipal Retirement System or Fireman's Relief and Retirement Fund) through a single-employer defined benefit healthcare plan. This healthcare plan provides insurance of eligible retirees, their spouses and dependents through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established by management. City of Irving TMRS retirement eligibility is 5 years of service credits and 60 years of age of 20 years of service credit at any age. Firefighters may retire at age 50 with 20 years of service.

Retirees over the age of 65 as of January 1, 2010 can maintain coverage under the City's plan by paying the grandfathered retiree premiums. All future retirees and retirees who were under the age of 65 as of January 1, 2010 can be covered under
the PEBA Medicare Supplement Plan at their own expense. A surviving spouse may elect to continue coverage at their own expense. Employees who retire under a disability retirement are immediately eligible for retiree health care benefits. Members terminating before normal retirement conditions are not eligible for retiree health care.

As of the December 31, 2017 actuarial valuation, membership in the plan is as follows:

Retiree and Beneficiaries	116
Inactive, Nonretired Members	-
Active Members	1,801
Total members	1,917

Contributions and Funding Policy: Current retirees contribute to the retiree health plan the total blended premium for active participants and the City's contribution for actives. Retirees and their dependents currently receiving benefits are required to contribute a monthly specified amount toward the cost of health insurance premiums. Monthly retiree premiums contributed to the Plan are based on the benefits election of the Plan member and are as follows:

Grandfathered Premiums Retired before 1/1/2011	Choice Local Plus	Quality Open Access	Quality Connect
Retiree only	$ 907.06	$ 772.81	$ 543.95
Retiree and Spouse	1,886.69	1,603.69	1,147.76
Retiree and Children	1,832.29	1,557.45	1,059.63
Retiree and Family	2,837.32	2,411.72	1,633.50

Grandfathered Premiums Retired after 12/31/2010	Choice Local Plus	Quality Open Access	Quality Connect
Retiree only	$ 1,479.23	$ 1,352.64	$ 1,136.82
Retiree and Spouse	2,403.01	2,136.14	1,706.20
Retiree and Children	2,351.70	2,092.52	1,623.09
Retiree and Family	3,299.42	2,898.07	2,164.24

Retired participants as of December 31, 2010 pay discounted premiums based on a grandfathered schedule. Members who retire after December 31, 2010 pay premiums according to a separate schedule and are eligible for a service based on wellness subsidy at retirement.

Services based subsidy for members who retire after December 31, 2010:

- Employees with 5-9 years of service with City receive $175/monthly subsidy
- Employees with 10-19 years of service with City receive $400/monthly subsidy
- Employees with over 20 years of service with City receive $500/monthly subsidy

I WIN Wellness credits for members who retire after December 31, 2010:

Until December 31, 2016, employees can earn I WIN wellness credits of $50, $100, or $150 per month during their employment with the City. At retirement, the accumulated wellness credits will be divided by the number of months between the employee's age at retirement and age 65 to derive the monthly I WIN retiree medical subsidy.

OPEB Liability: The City's OPEB liability is measured as of December 31, 2017 and the total OPEB liability was determined by an actuarial valuation as of December 31, 2017.

Actuarial Assumptions: The total OPEB liability in the December 31, 2017 actuarial report was determined using the following actuarial assumptions:

Actuarial cost method	Individual entry-age
Discount rate	3.31% as of December 31, 2017
Inflation	2.50%
Salary increase	3.00% to 13.30%, inlcuding inflation
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the TMRS. For firefighters, the demographic assumptions are the same as those used to value the Irving Firemen's Relief and Retirement Fund.
Mortality	For healthy TMRS retirees, the gender-distince RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For healthy firefighter retirees, the gender-distinct RP-2000 Mortality tables projected to 2024 using Scale AA.
Health care trend rates	Initial rate of 7.50% declining to an ultimate rate of 4.258% after 16 years
Paricipation rates	30% for IWIN participants and 15% for IWIN non-participants with over 20 years of service at retirement; 10% for IWIN participants and 5% for IWIN non-participants between 10 years to less than 20 years of service at retirement; and 0% for retirees with less than 10 years at retirement
Other information:	
Notes	The discount rate changed from 3.81% as of December 31, 2016 to 3.31% as of December 31, 2017

Discount rate: For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of measurement date. The municipal bond rate is 3.31% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index").

Changes in Total OPEB Liability:

Beginning at December 31, 2016	$ 9,835,039
Services cost	326,124
Interest on the total OPEB liability	379,544
Changes of assumptions	358,143
Benefit payments	(72,623)
Net change in total OPEB liability	991,188
Ending at December 31, 2017	$ 10,826,227

Sensitivity of the Total OPEB Liability to changes in the Discount Rate:

The following presents the total OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using a discount rate one percent lower or one percent higher than the current discount rate.

1% Decrease 2.31%	Current Discount Rate Assumption 3.31%	1% Increase 4.31%
$ 11,582,611	$ 10,826,227	$10,123,000

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher.

1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
$ 10,445,549	$ 10,826,227	$11,272,642

The plan does not issue a separate report. For financial reporting purposes, the retiree health plan is accounted for in the Self Insurance Fund.

OPEB Expense and Deferred Outflows Resources Related to OPEB

For the year end September 30, 2018, the City recognized OPEB expense of $347,736, and reported deferred outflows of resources related to OPEB from the following resources:

		Deferred Outflows of Resources
Changes in assumptions	$	321,576
Contributions subsequent to the measurement date		339,249
Total	$	660,825

Deferred outflows of resources of $339,249 pertained to employer contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for fiscal year 2019. Other amounts reported as deferred outflows of resources will be recognized in OPEB expense in the following fiscal years:

Year ending September 30		Deferred Outflows
2019	$	36,567
2020		36,567
2021		36,567
2022		36,567
2023		36,567
Thereafter		138,741
Total	$	321,576

(b) TMRS Supplemental Death Benefits Fund (SDBF)

The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB Statement 75 and as such the SDBF is considered to be an unfunded OPEB plan. The retiree portion of the SDBF is considered a single employer, defined benefit OPEB plan.

Detailed information about the SDBF OPEB plan is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Benefit Plan Description: TMRS administers a defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earning, for the 12-month period preceding the month of death). The death benefit for retires is considered an OPEB and is a fixed amount of $7,500.

The City contributes to the SDBF at a contractually required rated as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employee's entire careers. The SDBF contribution rate for retirees is 0.04%.

As of the December 31, 2017 actuarial valuation, membership in the plan is as follows:

Inactive employees currently receiving benefits	771
Inactive employees entitled to but not yet receiving benefits	195
Active Members	1,450
Total members	2,416

OPEB Liability: The City's OPEB liability is measured as of December 31, 2017 and the total OPEB liability was determined by an actuarial valuation as of December 31, 2017.

Actuarial Assumptions: The total OPEB liability in the December 31, 2017 actuarial report was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increase	3.50% to 10.50% including inflation
Discount rate	3.31%
Retiree's share of benefit related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under the reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates-disabled retirees	RP 2000 Combined Mortality Table with Blue Collar Adjustment with males rates multiplied by 109% and female rates multiplied by 103% wwith a 3 year set-forward for both ameles and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Discount rate: For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of measurement date. The municipal bond rate is 3.31% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index").

Changes in Total OPEB Liability:

Beginning at December 31, 2016	$ 4,406,044
Services cost	140,880
Interest on the total OPEB liability	168,450
Changes of assumptions	409,849
Benefit payments	(40,251)
Net change in total OPEB liability	678,928
Ending at December 31, 2017	$ 5,084,972

Sensitivity of the Total OPEB Liability to changes in the Discount Rate:

The following presents the total OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using a discount rate one percent lower or one percent higher than the current discount rate.

1% Decrease 2.31%	Current Discount Rate Assumption 3.31%	1% Increase 4.31%
$ 6,140,528	$ 5,084,972	$ 4,267,041

OPEB Expense and Deferred Outflows Resources Related to OPEB

For the year end September 30, 2018, the City recognized OPEB expense of $336,285, and reported deferred outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources
Changes in assumptions	$ 341,082
Contributions subsequent to the measurement date	32,163
Total	$ 373,245

Deferred outflows of resources of $32,163 pertained to retiree contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for fiscal year 2019. Other amounts reported as deferred outflows of resources will be recognized in OPEB expense in the following fiscal years:

Year ending September 30	Deferred Outflows
2019	$ 68,767
2020	68,767
2021	68,767
2022	68,767
2023	66,014
Total	$ 341,082

(14) Landfill Closure and Post-closure Care Costs

The City owns and operates a sanitary landfill site located in the southeast portion of the City. The landfill operates on a "cell" basis, and state and federal laws will require the City to close the landfill once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The landfill is recorded within the business type activities of the government-wide financial statements. The estimated total liability is $5,660,266 which represents the total closure and post-closure care cost liability based on the use of approximately 40% of the estimated capacity of the landfill at September 30, 2018. The City will recognize the remaining estimated liability for closure and post-closure care of approximately $13.8 million as the remaining estimated capacity is filled and is based on a 30 year post-closure period. The estimated cost of closure and post-closure care are subject to changes such as the effects of inflation, revision of laws, and other variables.

By State law, the City will be required to demonstrate financial assurance requirements each March. The City expects that by using a "Bond Rating Indicator of Financial Strength" the financial assurance requirements will be satisfied, and no trust account will be needed to finance closure and post-closure care costs.

(15) Tax Abatement and Economic Incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property taxes and sales tax, and may include incentive payments that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to build or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facilities leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The city has two categories of economic developing agreements;

Tax Abatements - Tax abatements under Chapter 312 of the Texas Code allows the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatements agreements authorize the appraisal district to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. In fiscal year 2018, property taxes abated under this program were $68,260.

General Economic Development - The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a percentage of property taxes, sales tax received by the City or reimbursement for cost incurred to improve site or sign. In fiscal year 2018, the City rebated $9,480,169 under these agreements.

(16) Commitments and Contingencies

The City is committed under certain construction contracts for various general government and water utility projects.

The City has been named as a defendant or codefendant in certain personal injury cases and a number of other matters of litigation, which are pending with respect to various matters arising in the normal course of the City's operations. The outcome of these cases is not known at this time; however, City management is of the opinion that their resolution will not have a materially adverse impact on the City's financial position.

The Water and Sanitary Sewer Enterprise Fund is committed by contract to pay a portion of the operating and maintenance expenses for the useful lives of water supply facilities located at Lake Chapman (formerly the Cooper Reservoir). In addition, the City is committed by contract to pay a portion of the operating costs and future debt service of the Trinity River Authority for wastewater treatment.

The City participates in several federal and state grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. To the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2018 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

In November 2004, the City entered into an agreement with a developer for reimbursement of the cost of constructing public infrastructure improvements under certain circumstances. The agreed upon total amount of possible reimbursement was $3,000,000 for the construction of the extension for the westbound Interstate Highway 635 access road to the intersections with Belt Line road and an entrance ramp to IH 635. The agreement was amended in June 2006 to increase the maximum amount of reimbursement to developer to $4,000,000 due to higher than expected costs. The annual payments are based on sales tax generated by the merchants on the site in excess of $1.00 per square foot. As long as less than 400,000 sq. ft. of retail space has been constructed, the City retains 60% of the excess sales tax and developer receives 40% of the excess. Should the square feet of retail construction meet or exceed 400,000, the City will retain 40% of the excess and the developer will receive 60% of the excess sales tax. In additions, for the first $1.00 per square foot of all retail space, for any amount over $.50 per square foot of sales tax revenue, the developer receives an aggregate annual reimbursement of up to $.50 per square foot of retail space. Each annual payment is subject to there being at least 10,000 square feet of building improvements on the property that are at least 85% occupied for the preceding calendar year. Gasoline service stations, convenience food stores and self-storage facilities do not qualify under this agreement. The owner of the building improvements must not be in bankruptcy. Any portion of the reimbursable amount not paid after expiration of fifty years will cease to be an obligation of the City. Payments of $1,661,163 have been made from 2009-2017, and $157,585 was paid in 2018. The outstanding balance of the reimbursable amount at September 30, 2018 was $2,181,252 and is not recorded as a liability since the payment is contingent on the collection of future tax revenues.

The City has also entered into a number of economic incentive agreements with developers and corporations that would require the City to abate or rebate future taxes or refund sales taxes to these developers or corporations.

(17) Fund Balance/Net Position Deficit

Funds with deficit fund balances as of September 30, 2018 were the HUD Grants Fund $567,780 and Emergency Management Fund $47,285. Grant fund reimbursements were requested as of September 30, 2018 but not received; therefore, the revenues are unearned.

(18) Subsequent Events

On December 6, 2018, the City disbursed $44,000,000 from its Tax Increment Reinvestment Zone No 1 to Ark Group Of Irving, Inc., in accordance to the Entertainment Center Second Amended and Restated TIF No. 1 Reimbursement Agreement.

(19) New Accounting Principles

GASB Statement No. 83 Certain Asset Retirement Obligation will be effective September 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

GASB Statement No. 84, Fiduciary Activities will be effective September 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable:
(1) pension (and other employee benefit) trust funds,
(2) investment trust funds,
(3) private-purpose trust funds, and
(4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

GASB Statement No. 87, Leases will be effective September 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The City is in the process of evaluating the impact of the implementation of these standards on its financial statements.

GASB Statement No. 88, Certain Disclosures related to debt, including direct borrowings and direct placements will be effective September 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The City is in the process of evaluating the impact of the implementation of these standards on its financial statements.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction will be effective September 30, 2021. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The City is in the process of evaluating the impact of the implementation of these standards on its financial statements.

GASB Statement No. 90, Majority Equity Interests- (An Amendment of GASB Statement No. 14 and No. 61) will be effective September 30, 2020. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component

units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

The City is in the process of evaluating the impact of the implementation of these standards on its financial statements.

* * * *

IRVING
TEXAS

City of Irving, Texas
Required Supplementary Information
Budgetary Comparison Schedule-General Fund
Year ended September 30, 2018

	Budgeted amounts (GAAP basis)		Actual amounts	Variance with final budget-- positive (negative)
	Original	Final		
Revenues:				
Ad valorem taxes	$ 111,329,717	$ 101,812,643	$ 102,092,890	$ 280,247
Sales tax	69,609,857	69,609,857	68,671,084	(938,773)
Franchise fees	20,942,411	20,942,411	21,048,964	106,553
Fees and licenses	5,430,319	5,430,319	4,955,495	(474,824)
Permits and inspections	5,576,837	5,576,837	5,413,815	(163,022)
Fines, forfeitures, and penalties	5,072,163	5,072,163	5,121,829	49,666
Charges for services	520,986	520,986	571,791	50,805
Intergovernmental and intragovernmental	6,813,137	6,678,675	6,544,213	(134,462)
Investment income	518,868	518,868	1,225,854	706,986
Miscellaneous	8,571,173	8,595,195	8,449,318	(145,877)
Total revenues	234,385,468	224,757,954	224,095,253	(662,701)
Expenditures:				
General government:				
City council	244,137	225,787	187,611	38,176
City secretary's office	1,150,331	997,431	965,097	32,334
City manager's office	1,980,462	2,027,462	1,889,913	137,549
Financial services department	4,415,019	3,772,019	3,738,770	33,249
Strategic resources	2,090,169	2,028,790	1,871,996	156,794
Nondepartmental	15,375,010	17,471,544	17,387,588	83,956
Planning and inspections	4,446,716	4,286,967	4,203,341	83,626
City attorney's office	2,507,307	2,425,986	2,419,592	6,394
Information services	11,211,585	10,494,951	9,805,702	689,249
Police	63,935,664	63,604,949	63,646,430	(41,481)
Fire	46,149,857	47,323,619	46,613,111	710,508
Parks and recreation	18,197,448	17,587,187	17,014,894	572,293
Municipal court services	3,138,315	3,031,755	2,988,691	43,064
Library services	7,083,087	6,993,087	6,877,852	115,235
Community development	23,662,135	20,643,732	17,688,787	2,954,945
Public works and transportation	20,015,414	19,436,245	19,110,561	325,684
Total expenditures	225,602,656	222,351,511	216,409,936	5,941,575
Excess of revenues over expenditures	8,782,812	2,406,443	7,685,317	5,278,874
Other financing sources (uses):				
Transfers in	1,590,466	1,526,530	1,513,328	(13,202)
Transfers out	(14,591,430)	(6,980,352)	(6,874,752)	105,600
Total other financing sources (uses)	(13,000,964)	(5,453,822)	(5,361,424)	92,398
Net change in fund balances	(4,218,152)	(3,047,379)	2,323,893	5,371,272
Fund balances, beginning of year	67,700,490	67,700,490	67,700,490	-
Fund balances, end of year	$ 63,482,338	$ 64,653,111	$ 70,024,383	$ 5,371,272

See notes to required supplementary information

IRVING
TEXAS

CITY OF IRVING, TEXAS
Required Supplementary Information
Budgetary Comparison Schedule-TIF
Year ended September 30, 2018

	Budgeted Amounts (GAAP basis)		Actual	Variance with final budget-- positive
	Original	Final	Amount	(negative)
Revenues:				
Ad Valorem Taxes	$ -	$ 9,517,074	$ 9,243,369	$ (273,705)
PID assessments	884,554	884,554	873,283	(11,271)
Intergovernmental	6,743,864	6,743,864	11,736,313	4,992,449
Interest	202,500	202,500	1,035,943	833,443
Total revenues	7,830,918	17,347,992	22,888,908	5,540,916
Expenditures				
Community development	47,835,086	54,104,645	8,444,120	45,660,525
Total expenditures	47,835,086	54,104,645	8,444,120	45,660,525
Excess of revenues over expenditures	(40,004,168)	(36,756,653)	14,444,788	51,201,441
Other financing sources (uses):				
Transfer in	9,517,074	-	-	-
Transfer out	(1,887,714)	(1,887,864)	(1,886,364)	1,500
Total financing sources (uses)	7,629,360	(1,887,864)	(1,886,364)	1,500
Net changes in fund balances	(32,374,808)	(38,644,517)	12,558,424	51,202,941
Fund balances, beginning of year	57,440,052	57,440,052	57,440,052	-
Fund balances, end of year	$ 25,065,244	$ 18,795,535	$ 69,998,476	$ 51,202,941

See notes to required supplementary information

CITY OF IRVING, TEXAS

Required Supplementary Information
Supplemental Benefit Plan-
Schedule of Changes in Net Pension Liability and Related Ratios
Last Four Fiscal Years
(Unaudited)

	Measurement date			
	2014	2015	2016	2017
Total pension liability				
Service cost	$ 2,844,836	$ 2,975,950	$ 3,014,502	$ 3,086,079
Interest	4,259,329	4,528,512	4,977,651	5,273,704
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	-	95,587	39,934	288,848
Change of assumptions	-	5,088,734	-	-
Benefit payments, including refund of employee contributions	(3,086,278)	(3,572,309)	(3,733,824)	(3,639,007)
Net change in total pension liability	4,017,887	9,116,474	4,298,263	5,009,624
Total pension liability - beginning	60,968,277	64,986,164	74,102,638	78,400,901
Total pension liability - ending	$ 64,986,164	$ 74,102,638	$ 78,400,901	$ 83,410,525
Contributions - Employer	$ 1,358,113	$ 1,390,021	$ 2,067,639	$ 2,083,347
Contributions - Employee	2,262,508	2,334,190	2,448,428	2,585,695
Net investment income	2,711,022	(350,875)	1,103,719	6,592,197
Benefit payments, including refund of employee contributions	(3,086,278)	(3,572,309)	(3,733,824)	(3,639,007)
Administrative expense	(118,500)	(123,779)	(165,946)	(136,810)
Other	-	-	-	-
Net change in plan fiduciary net positions	3,126,865	(322,752)	1,720,016	7,485,422
Plan fiduciary net positon - beginning	47,733,993	50,860,858	50,538,106	52,258,122
Plan fiduciary net position - ending	$ 50,860,858	$ 50,538,106	$ 52,258,122	$ 59,743,544
Net pension liability	14,125,306	23,564,532	26,142,779	23,666,981
Plan fiduciary net position as a percentage of total pension liability	78.26%	68.20%	66.66%	71.63%
Covered payroll	$ 89,179,811	$ 92,985,815	$ 95,365,820	$ 100,135,456
Net pension liability as a percentage of covered payroll	15.84%	25.34%	27.41%	23.63%
As of December 31 - Measurement date				

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Notes to Schedule:

Covered Payroll shown in table is the beginning of year payroll

CITY OF IRVING, TEXAS

Required Supplementary Information
Supplemental Benefit Plan-
Schedule of Contributions
Last Four Fiscal Years
(Unaudited)

	Fiscal year			
	2015	2016	2017	2018
Actuarially determined contributions	$ 1,376,198	$ 1,938,397	$ 2,134,394	$ 2,167,799
Contributions in relation to the actuarially determined contribution	1,376,198	1,938,397	2,134,394	2,167,799
Contribution deficiency (excess)	-	-	-	
Covered payroll	92,363,058	100,416,531	99,606,896	104,531,927
Contributions as a percentage of covered payroll	1.49%	1.93%	2.14%	2.07%

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Notes to schedules:

Valuation Date:	January 1, 2018

Actuarially determined contribution rates are calculated as of January 1st and become effective the following January (12 months later).

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	26 years
Asset valuations method	5 year smoothing of market related value
Inflation	2.50%
Salary increases	3.50%-10.50%
Investment rate of return	6.75%
Retirement age	Varying rates of retirement based on member's age were established based on plan's experience as determined by the TMRS experience study.
Mortality	The RP-2000 tables for males and females projected on a fully generational basis by scale BB to account for future mortality improvements.

CITY OF IRVING, TEXAS

Required Supplementary Information
Firemen's Relief and Retirement Fund -
Schedule of Changes in Net Pension Liability and Related Ratios
Last Four Fiscal Years
(Unaudited)

	Measurement date			
	2014	2015	2016	2017
Total pension liability				
Service cost	$ 4,866,613	$ 5,025,038	$ 5,238,602	$ 5,461,243
Interest	17,745,490	19,019,327	20,407,798	21,589,896
Difference between expected and actual experience	-	(619,021)	-	(744,153)
Change of assumptions	-	1,719,597	-	14,226,764
Benefit payments, including refund of employee contributions	(6,823,584)	(8,003,691)	(9,053,442)	(14,027,717)
Net change in total pension liability	15,788,519	17,141,250	16,592,958	26,506,033
Total pension liability - beginning	213,725,584	229,514,103	246,655,353	263,248,311
Total pension liability - ending	$ 229,514,103	$ 246,655,353	$ 263,248,311	$ 289,754,344
Contributions - Employer	$ 4,006,697	$ 4,273,487	$ 4,669,981	$ 5,404,238
Contributions - Employee	3,200,993	3,276,795	3,570,998	4,058,163
Net investment income	7,328,533	(4,248,306)	13,434,218	32,063,819
Benefit payments, including refund of employee contributions	(6,823,584)	(8,003,691)	(9,053,442)	(14,027,717)
Administrative expense	(167,106)	(100,530)	(111,931)	(97,045)
Other	-	-	8,596	2,546
Net change in plan fiduciary net position	7,545,533	(4,802,245)	12,518,420	27,404,004
Plan fiduciary net positon - beginning	171,294,299	178,839,832	174,037,587	186,556,007
Plan fiduciary net position - ending	$ 178,839,832	$ 174,037,587	$ 186,556,007	$ 213,960,011
Net pension liability	50,674,271	72,617,766	76,692,304	75,794,333
Plan fiduciary net position as a percentage of total pension liability	77.92%	70.56%	70.87%	73.84%
Covered payroll	$ 26,674,942	$ 27,306,626	$ 29,840,134	$ 32,264,107
Net pension liability as a percentage of covered payroll	189.97%	265.93%	257.01%	234.92%

As of December 31 - Measurement date

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

CITY OF IRVING, TEXAS

Required Supplementary Information
Firemen's Relief and Retirement Fund -
Schedule of Contributions
Last Four Fiscal Years
(Unaudited)

	Fiscal year			
	2015	2016	2017	2018
Actuarially determined contributions	$ 4,199,033	$ 4,575,029	$ 5,232,858	$ 5,627,123
Contributions in relation to the actuarially determined contribution	4,199,033	4,575,029	5,232,858	5,627,123
Contribution deficiency (excess)	-	-	-	-
Covered payroll	26,880,615	29,165,421	31,514,016	33,594,764
Contributions as a percentage of covered payroll	15.62%	15.69%	16.60%	16.75%

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Notes to schedules:

Valuation Date:	December 31, 2017

Actuarially determined contribution rates were based on the contracted contributions rate.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	The plan was unable to ammortize its UAAL as of 12/31/2017 based on the 2017 City and member contributions rates
Asset valuations method	5 yr smoothed market value with a 20% market value corridor
Inflation	2.75%
Salary increases	3% to 11.30%, including inflation, based on services at attained age.
Investment rate of return	7.50%
Retirement age	Experienced -based table of rates that are specific to the pension fund
Mortality	Employee and healthy annuitant combined rates from RP-2000 Mortality Table, projected to 2024 using Scale AA, with separate rates for males and females
Other information:	There have been no benefit changes since the December 31, 2015 valuation date.

CITY OF IRVING, TEXAS

Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Changes in Net Pension Liability and Related Ratios
Last Four Fiscal Years
(Unaudited)

	Measurement date			
	2014	2015	2016	2017
Total pension liability				
Service cost	$ 13,088,408	$ 14,870,411	$ 16,039,813	$ 16,573,549
Interest	42,078,112	43,871,555	44,980,031	46,896,183
Changes in benefit terms	39,545,256	-	-	
Difference between expected and actual experience	(2,994,771)	(1,292,278)	(1,160,092)	(345,609)
Change of assumptions	-	11,730,676	-	-
Benefit payments, including refund of employee contributions	(26,197,731)	(28,686,540)	(31,574,915)	(31,903,469)
Net change in total pension liability	65,519,274	40,493,824	28,284,837	31,220,654
Total pension liability - beginning	568,125,288	633,644,562	674,138,386	702,423,223
Total pension liability - ending	$ 633,644,562	$ 674,138,386	$ 702,423,223	$ 733,643,877
Contributions - Employer	$ 10,031,514	$ 13,069,439	$ 12,973,950	$ 14,523,727
Contributions - Employee	6,420,961	6,538,152	6,816,447	7,049,857
Net investment income	33,211,991	890,765	40,201,716	86,315,080
Benefit payments, including refund of employee contributions	(26,197,731)	(28,686,540)	(31,574,915)	(31,903,469)
Administrative expense	(346,774)	(542,586)	(454,093)	(447,396)
Other	(28,511)	(26,799)	(24,466)	(22,674)
Net change in plan fiduciary net position	23,091,450	(8,757,569)	27,938,639	75,515,125
Plan fiduciary net positon - beginning	580,610,660	603,702,110	594,944,541	622,883,180
Plan fiduciary net position - ending	$ 603,702,110	$ 594,944,541	$ 622,883,180	$ 698,398,305
Net pension liability	29,942,452	79,193,845	79,540,043	35,245,572
Plan fiduciary net position as a percentage of total pension liability	95.27%	88.25%	88.68%	95.20%
Covered payroll	$ 90,741,349	$ 93,289,906	$ 97,328,964	$ 100,628,714
Net pension liability as a percentage of covered payroll	33.00%	84.89%	81.72%	35.03%

As of December 31 - Measurement date

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

CITY OF IRVING, TEXAS

Required Supplementary Information
Texas Municipal Retirement System -
Schedule of Contributions
Last Four Fiscal Years
(Unaudited)

	Fiscal year			
	2015	2016	2017	2018
Actuarially determined contributions	$ 12,319,383	$ 13,736,507	$ 14,277,819	$ 15,316,019
Contributions in relation to the actuarially determined contribution	$ 12,319,383	$ 13,736,507	$ 14,277,819	$ 15,316,019
Contribution deficiency (excess)	-	-		
Covered payroll	92,363,058	100,416,531	99,606,896	104,531,927
Contributions as a percentage of covered payroll	13.34%	13.68%	14.33%	14.65%

Notes to schedules:

Valuation Date: December 31, 2016

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Asset valuations method	10 year smoothed market; 15% soft corridor
Inflation	2.50%
Salary increases	3.50% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based tables of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Note: GASB 68 requires ten fiscal years of data. City implemented GASB 68 in fiscal year 2015, the additional years' information will be added as it becomes available.

Other information: There were no benefit changes during the year.

CITY OF IRVING, TEXAS

Required Supplementary Information
Retiree Health Care Plan
Schedule of Changes in OPEB Liability and Related Ratios
Last Fiscal Year
(Unaudited)

		12/31/2017
Total OPEB Liability		
Service cost	$	326,124
Interest		379,544
Changes in assumptions		358,143
Benefit payments		(72,623)
Net change in total OPEB liability		991,188
Total OPEB liability - beginning		9,835,039
Total OPEB liability - ending	$	10,826,227
Covered payroll	$	127,514,967
Total OPEB liability as a percentage of covered payroll		8.49%

Notes to schedules:
Note: GASB 75 requires ten fiscal years of data. City implemented GASB 75 in fiscal year 2018, the additional years' information will be added as it becomes available.

Changes in assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate e each period. The following are the discount rates used in each period:

12/31/2016	3.81%
12/31/2017	3.31%

CITY OF IRVING, TEXAS

Required Supplementary Information
TMRS Supplemental Death Benefit
Schedule of Changes in OPEB Liability and Related Ratios
Last Fiscal Year
(Unaudited)

		12/31/2017
Total OPEB Liability		
Service cost	$	140,880
Interest		168,450
Changes in assumptions		409,849
Benefit payments		(40,251)
Net change in total OPEB liability		678,928
Total OPEB liability - beginning		4,406,044
Total OPEB liability - ending	$	5,084,972
Covered payroll	$	100,628,714
Total OPEB liability as a percentage of covered payroll		5.05%

Notes to schedules:
Note: GASB 75 requires ten fiscal years of data. City implemented GASB 75 in fiscal year 2018, the additional years' information will be added as it becomes available.

Changes in assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate e each period. The following are the discount rates used in each period:

12/31/2016	3.81%
12/31/2017	3.31%

(1) Budgets and Budgetary Accounting

Approximately two months prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted in advance of and following the initial preparation of the budget at which comments concerning the budget are heard prior to approval of the budget by the City Council.

The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year to which it applies.

Budget control is exercised at the activity level by department (i.e., City Manager's Office, City Secretary's Office, Financial Services, General Services, etc.). Reported budget amounts are the amounts originally adopted and amended by appropriation ordinances passed by the City Council. All modifications to the adopted budget, at the fund level, require City Council ordinance.

An annual budget for the General Fund and TIF (Special Revenue Major Fund) are adopted on a basis consistent with GAAP. All appropriations lapse at year-end. Additionally, annual budgets are adopted for the Debt Service Fund and Special Revenue Funds on a basis consistent with GAAP. Project length financial plans are adopted for all Capital Project Funds.

(2) Excess Expenditures over Appropriations

The total expenditures for the General Fund were less than the amount budgeted by $5,941,575 and total expenditures for the TIF fund were less than the amount budgeted by $45,660,525.

CITY OF IRVING, TEXAS

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The general long-term debt serviced by the Debt Service Fund consists of general obligation bonds and special revenue bonds due in annual installments. The City's property tax is levied, in part, to finance the debt service agreements of the general obligation bonds. The Debt Service Fund has a legally adopted budget. The following schedule presents the results on a budget (GAAP) and actual basis.

City of Irving, Texas

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Debt Service Fund
Year ended September 30, 2018

	Original Budget	Adjusted Budget	Actual	Variance positive (negative)
Revenues:				
General property taxes	$ 30,906,482	$ 30,906,482	$ 30,922,273	$ 15,791
Hotel/motel occupancy taxes	628,000	628,000	-	(628,000)
Interest	294,250	294,250	617,060	322,810
Total revenues	31,828,732	31,828,732	31,539,333	(289,399)
Expenditures:				
Principal on general obligation bonds and tax notes	20,755,000	20,755,000	20,800,000	(45,000)
Principal on special revenue bonds	2,530,000	4,560,000	4,560,000	-
Principal on revenue bonds	1,250,000	1,250,000	1,250,000	-
Interest on general obligation bonds and tax notes	10,635,120	10,635,120	10,568,570	66,550
Interest on special revenue bonds	12,237,982	9,737,202	9,737,202	-
Interest on revenue bonds	1,227,977	1,227,977	1,227,977	-
Fiscal fees and charges	12,550	11,112,550	12,309,101	(1,196,551)
Contract payments	220,000	220,000	157,585	62,415
Total expenditures	48,868,629	59,497,849	60,610,435	(1,112,586)
Deficiency of revenues under expenditures	(17,039,897)	(27,669,117)	(29,071,102)	(1,401,985)
Other financing sources (uses):				
Premium on bonds issued	-	-	11,547,609	11,547,609
Payments to refund escrow	-	-	107,610,000	107,610,000
Refunding bonds issued	-	-	(117,963,613)	(117,963,613)
Transfer in	15,987,083	15,995,458	16,589,588	594,130
Transfer out	(373,744)	(382,118)	-	382,118
Total other financing sources	15,613,339	15,613,340	17,783,584	2,170,244
Net change in fund balance	(1,426,558)	(12,055,777)	(11,287,518)	768,259
Fund balances, beginning of year	31,741,693	31,741,693	31,741,693	-
Fund balances, end of year	$ 30,315,135	$ 19,685,916	$ 20,454,175	$ 768,259

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The City's funds accounted for as Special Revenue Funds are as follows:

Criminal Justice Grant – This fund is used to account for the expenditures of state and federal monies, to provide legal assistance to the City's police department, and to provide a program to reduce juvenile delinquency.

Irving Convention and Visitors Bureau – This fund is used to account for the City's program to attract conventions and tourists to the City. A portion of the City's hotel/motel occupancy tax finances the Bureau's activities.

Irving Arts Center – This fund is used to account for the City's efforts to encourage and develop the arts through grants to various cultural groups and through the accumulation of funds for the operation and future construction of cultural facilities. A portion of the City's hotel/motel occupancy tax finances the Art Center's activities.

Police Narcotics – This fund is used to account for the expenditures from assets acquired through narcotics arrests. The expenditures are restricted to law enforcement activities by state and federal law.

Historical Preservation – This fund is used to account for the City's efforts to preserve and restore historical sites within the City. A portion of the City's hotel/motel occupancy tax finances the fund's activities.

Local Law Enforcement Block Grant – This fund is used to account for the expenditures of state and federal monies used to purchase equipment and materials for use within the Police Department.

Municipal Court Security Fees – This fund is used to account for the collection of fees imposed on fines authorized by the state legislature for technology and security measures utilized in the Court Building.

Texas Highway Safety Grant – This fund is used to account for the expenditures of State monies for the Speed and Occupant Selective Traffic Enforcement Program (STEP) Grants.

Miscellaneous Grants – This fund is used to account for the expenditures of monies for the Department of Health and Human Service, Economic Development Services, and the North Central Texas Council of Governments.

Convention Center Complex – This fund is used to account for the Hotel/Motel Tax revenue that has been earmarked for the building maintenance of the Irving Convention Center Complex.

Entertainment Venue (EV) – This fund is used to account for the additional two percent Hotel Motel Tax revenue and ten percent EV admissions tax that is being collected to provide funding for an EV as part of the Convention Center complex.

Museum Fund – This fund is used to account for the Hotel/Motel Tax revenue that has been designated for the building and operation of museums in Irving.

HUD Grants – This fund is used to account for the expenditures resulting from the administration of the federal grants received from the Department of Housing and Urban Development (HUD). The grants included in this fund are the Community Development Block Grant (CDBG), HOME Investment Partnership Grant, and the Emergency Shelter Grant (ESG) and Section 108 Guarantee Loan.

Library Grant Fund - This fund is used to account for the expenditure of monies for the purchase of library materials and equipment.

Miscellaneous Special Revenue Fund – This fund is used to account for the receipt of non-governmental donations and associated expenditures. Currently, this fund is used by the Irving Municipal Court, Irving Fire Department, Housing and Human Services, and Animal Services.

Emergency Management Grants - This fund is used to account for the expenditure of monies awarded by the Department of Homeland Security to improve the City's ability to prevent, respond to, and recover from acts of terrorism and natural disasters.

Red Light Camera Enforcement – This fund accounts for all revenues and expenditures associated with Red Light Camera traffic enforcement.

Irving Housing Finance Corporation- This fund is used to record expenditures resulting from the purchases of real estate for rehabilitation/ new construction and homebuyer assistance to the citizens of Irving.

Public, Educational, and Government Access (PEG Fees) Fund-This fund is used to record the surcharge from cable fees and is designated to fund capital related expenditures for Irving Community Television Network (ICTN).

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Special Revenue Funds).

Storm Sewer – This fund is used to account for the financing and construction of improvements to and the extension of the City's storm sewer system. The proceeds of general obligation bonds and interest on investments are used to finance the construction costs.

Park Improvement – This fund is used to account for the financing of improvements to and enlargements of the City's parks. These improvements and enlargements are funded by general obligation bond proceeds and interest on investments.

Fire Station – This fund is used to account for the financing of the construction and renovation of fire stations and the acquisition of firefighting equipment. General obligation bond proceeds and interest on investments are the sources of financing of the building renovation and equipment purchases.

Criminal Justice – This fund is used to account for the financing and construction of police and court-related facilities. The proceeds of general obligation bonds and interest on investments are used to finance the construction costs.

Landfill – This fund is used to account for the financing of improvements to the municipal sanitary landfill. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

City Buildings Improvement – This fund is used to account for the financing of improvements and remodeling of various City buildings. The proceeds of general obligation bonds and interest on investments are used to finance the improvements

DART – This fund is used to account for the construction of improvements to and the extension of the City's streets, which are part of the DART transportation routes. The construction is financed from sales tax proceeds remitted to the City through DART and interest on investments.

Radio Communication Systems – This fund is used to account for the purchase of a citywide radio communications system. The proceeds of general obligation bonds and interest on investments are used to finance the purchase.

Non-bond CIP – This fund is used to account for the purchases and construction of miscellaneous capital projects that are not required either legally or contractually to be accounted for in an individual fund. These projects are being funded through a transfer from the General Fund and interest on investments.

Street Improvement Fund – This fund was established to account for construction of the City's street infrastructure. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

Entertainment Venue – This fund was established to account for the construction of the City's Entertainment Venue. The proceeds of special revenue bonds, interest on investments, and Hotel Occupancy Taxes are used to finance the proceeds.

Texas Stadium Venue Project – This fund was established to account for 10% admissions tax and a tax on parking fees (under a state statue referred to as the Brimer bill) collected during the final football seasons. These funds assist the City in assuming responsibility for the venue site and facilities and will be applied to fund a range of capital project authorized under that statute.

Veteran's Memorial Park – This fund is used to account for the construction, improvements and maintenance of the Veteran's Memorial at its existing location from General Obligation Bonds and interest on investments.

HQ Hotel Public Space Bond – This fund is used to account for revenue supported/tax pledge funding for the construction of public infrastructure related to the Convention Center Hotel.

Infrastructure – This fund is used to account for Capital Improvement Program projects funded through the sale of certificate of obligations. Certificates of obligations are approved by Council and are issued to finance projects that were not anticipated or authorized by voters in general obligation bond elections.

Convention Center Hotel Garage Bond– This fund is used to account for tax-supported funding for the construction of public infrastructure related to Convention Center Hotel.

Gateway Development – This fund is used to account for public capital improvements associated with private developments. The proceeds of general obligation bonds and interest on investments are used to finance the improvements.

PID #3 Parkside – This fund is used to account for capital improvements associated within the Parkside Public Improvement District. The Proceeds of the Combination Tax and Revenue Certificates of Obligation are used to finance this project.

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2018

	Special Revenue Funds			
	Criminal Justice Grant	Irving Convention and Visitors Bureau	Irving Arts Center	Police Narcotics
Assets				
Cash and cash equivalents	$ -	4,245,589	6,018,970	2,005,169
Investments	-	-	-	-
Receivables (net of allowance for doubtful accounts):				
Taxes	-	2,072,918	753,986	-
Accrued interest	-	8,087	9,981	-
Accounts receivable	-	305,356	25,748	-
Due from other governments	28,989	-	-	-
Prepaids	-	-	2,500	-
Total assets	28,989	6,631,950	6,811,185	2,005,169
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	470,283	205,980	49,131
Accrued wages and benefits	6,725	234,252	56,604	2,074
Due to other funds	22,264	82,917	55,040	-
Retainage payable	-	-	-	-
Sundry payables	-	-	181,166	446,979
Unearned revenue	-	-	-	-
Total liabilities	28,989	787,452	498,790	498,184
Fund balances:				
Non Spendable				
Other assets	-	-	2,500	-
Restricted				
Police	-	-	-	1,506,985
Parks and recreation	-	-	-	-
Community development	-	5,844,498	6,309,895	-
Public works	-	-	-	-
Other purposes	-	-	-	-
Assigned				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	-	5,844,498	6,312,395	1,506,985
Total liabilities and fund balances	$ 28,989	6,631,950	6,811,185	2,005,169

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2018
(Continued)

Special Revenue Funds					
Historical Preservation	Local Law Enforcement Block Grant	Municipal Court Security Fees	Texas Highway Safety Grant	Misc Grant	Convention Center Complex
109,502	-	314,089	-	510,678	-
333,504	-	1,478,266	-	-	3,170,663
36,367	-	-	-	-	2,137,189
2,420	-	9,155	-	-	2,181
-	-	-	-	-	-
-	68,145	-	18,400	9,931	-
-	-	-	-	-	-
481,793	68,145	1,801,510	18,400	520,609	5,310,033
64,567	13,408	12,625	-	4,256	-
-	12,139	1,509	6,809	-	-
1,455	15,607	-	11,591	-	50,201
-	-	-	-	-	-
-	-	-	-	-	-
	26,991	-	-	237,662	-
66,022	68,145	14,134	18,400	241,918	50,201
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
415,771	-	-	-	-	5,259,832
-	-	-	-	-	-
-	-	1,787,376	-	278,691	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
415,771	-	1,787,376	-	278,691	5,259,832
481,793	68,145	1,801,510	18,400	520,609	5,310,033

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2018
(Continued)

	Special Revenue Funds			
	Entertainment Venue	Museum Fund	HUD Grants	Library Grant Fund
Assets				
Cash and cash equivalents	$ 1,271,407	4,111,569	20,501	-
Investments	5,499,021	-	-	-
Receivables (net of allowance for doubtful accounts):				
Taxes	1,675,170	90,917	-	-
Accrued interest	19,230	6,684	-	-
Accounts receivable	-	130	-	-
Due from other governments	-	-	882,999	52,661
Prepaids	-	-	-	-
Total assets	8,464,828	4,209,300	903,500	52,661
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	344,359	3,292	85,822	-
Accrued wages and benefits	-	5,961	27,238	-
Due to other funds	-	3,697	773,542	8,842
Retainage payable	-	-	-	-
Sundry payables	-	2,205	-	-
Unearned revenue	-	-	584,678	-
Total liabilities	344,359	15,155	1,471,280	8,842
Fund balances:				
Non Spendable				
Other assets	-	-	-	-
Restricted				
Police	-	-	-	-
Parks and recreation	-	-	-	-
Community development	8,120,469	4,194,145	-	-
Public works	-	-	-	-
Other purposes	-	-	-	43,819
Assigned				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Unassigned	-	-	(567,780)	-
Total fund balances	8,120,469	4,194,145	(567,780)	43,819
Total liabilities and fund balances	$ 8,464,828	4,209,300	903,500	52,661

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2018
(Continued)

Special Revenue Funds					
Misc. Special Revenue	Emergency Management Grants	Red Light Camera Enforcement	Irving Housing Finance Corp	PEG Fees Fund	Total nonmajor special revenue funds
378,467	-	3,376,472	182,888	623,693	23,168,994
-	-	-	-	-	10,481,454
-	-	-	-	91,316	6,857,863
-	-	-	-	-	57,738
296	-	394,083	-	-	725,613
-	92,369	-	-	-	1,153,494
-	-	-	-	-	2,500
378,763	92,369	3,770,555	182,888	715,009	42,447,656
5,354	-	1,042,866	-	-	2,301,943
-	2,986	7,201	-	-	363,498
-	85,352	-	-	-	1,110,508
-	-	-	-	-	-
-	-	-	-	-	630,350
-	51,316	-	-	-	900,647
5,354	139,654	1,050,067	-	-	5,306,946
-	-	-	-	-	2,500
-	-	-	-	-	1,506,985
-	-	-	-	-	-
-	-	-	182,888	715,009	31,042,507
-	-	2,720,488	-	-	2,720,488
373,409	-	-	-	-	2,483,295
					-
-	-	-	-	-	-
-	-	-	-	-	-
-	(47,285)	-	-	-	(615,065)
373,409	(47,285)	2,720,488	182,888	715,009	37,140,710
378,763	92,369	3,770,555	182,888	715,009	42,447,656

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2018

	Capital Project Funds			
	Storm Sewer	Park Improve-ment	Fire Station	Criminal Justice
Assets				
Cash and cash equivalents	$ 4,390,687	3,306,435	1,608,636	25,296
Investments	23,628,469	989,700	-	-
Receivables (net of allowance for doubtful accounts):				
Taxes	-	-	-	-
Accrued interest	126,235	10,026	2,054	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Prepaids	-	-	-	-
Total assets	28,145,391	4,306,161	1,610,690	25,296
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	555,919	-	-
Accrued wages and benefits	-	-	-	-
Due to other funds	-	-	-	-
Retainage payable	256,773	76,136	-	-
Sundry payables	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	256,773	632,055	-	-
Fund balances:				
Non Spendable				
Other assets	-	-	-	-
Restricted for:				
Police	-	-	-	25,296
Parks and recreation	-	3,674,106	-	-
Community development	-	-	-	-
Public works	27,888,618	-	-	-
Other purposes	-	-	1,610,690	-
Assigned to:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Other capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	27,888,618	3,674,106	1,610,690	25,296
Total liabilities and fund balances	$ 28,145,391	4,306,161	1,610,690	25,296

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2018
(Continued)

Capital Project Funds					
Landfill	City Buildings Improve-ment	DART	Radio Communi-cation Systems	Non-bond CIP	Street Improvement
5,271,983	1,335,898	127,436	1,084,143	2,666,347	12,337,086
-	986,776	-	-	1,969,200	22,619,391
-	-	-	-	-	-
8,642	4,594	-	1,726	5,024	134,930
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,280,625	2,327,268	127,436	1,085,869	4,640,571	35,091,407
300,288	21,555	-	31,063	156,604	1,683,290
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	70,343	411,913
-	-	-	-	-	-
-	-	-	-	-	-
300,288	21,555	-	31,063	226,947	2,095,203
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,980,337	-	127,436	-	-	32,996,204
-	2,305,713	-	1,054,806	-	-
-	-	-	-	1,412,360	-
-	-	-	-	2,559,902	-
-	-	-	-	441,362	-
	-	-	-	-	-
4,980,337	2,305,713	127,436	1,054,806	4,413,624	32,996,204
5,280,625	2,327,268	127,436	1,085,869	4,640,571	35,091,407

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2018
(Continued)

	Capital Project Funds			
	Entertainment Venue	Texas Stadium Venue Project	Veterans Memorial Park	Infrastructure
Assets				
Cash and cash equivalents	$ 131,500	642,444	14,512	3,338,008
Investments	-	49,305	-	-
Receivables (net of allowance for doubtful accounts):				
Taxes	-	-	-	-
Accrued interest	-	19	-	6,042
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Prepaids	-	-	-	-
Total assets	131,500	691,768	14,512	3,344,050
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	-	-	65,072
Accrued wages and benefits	-	-	-	-
Due to other funds	-	-	-	-
Retainage payable	-	-	-	-
Sundry payables	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	-	-	65,072
Fund balances:				
Non Spendable				
Other assets	-	-	-	-
Restricted for:				
Police	-	-	-	-
Parks and recreation	-	-	-	-
Community development	131,500	691,768	-	-
Publc works	-	-	-	-
Other purposes	-	-	14,512	3,278,978
Assigned to:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Other capital projects	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	131,500	691,768	14,512	3,278,978
Total liabilities and fund balances	$ 131,500	691,768	14,512	3,344,050

City of Irving, Texas
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2018
(Continued)

Capital Project Funds					
HQ Hotel Public Space Bond	Convention Center Hotel Garage Bond	Gateway Development	PID #3 Parkside	Total nonmajor capital project funds	Total Nonmajor Governmental Funds
1,738,984	4,057,762	1,871,954	382,918	44,332,029	67,501,023
-	-	1,975,286	-	52,218,127	62,699,581
-	-	-	-	-	6,857,863
3,827	7,108	9,420	616	320,263	378,001
-	-	-	-	-	725,613
-	-	-	-	-	1,153,494
-	-	-	-	-	2,500
1,742,811	4,064,870	3,856,660	383,534	96,870,419	139,318,075
1,110,263	605,500	-	-	4,529,554	6,831,497
-	-	-	-	-	363,498
-	-	-	-	-	1,110,508
377,388	888,639	-	-	2,081,192	2,081,192
-	-	-	-	-	630,350
-	-	-	-	-	900,647
1,487,651	1,494,139	-	-	6,610,746	11,917,692
-	-	-	-	-	2,500
-	-	-	-	25,296	1,532,281
-	-	-	-	3,674,106	3,674,106
255,160	2,570,731	-	383,534	4,032,693	35,075,200
-		3,856,660	-	69,849,255	72,569,743
-	-	-	-	8,264,699	10,747,994
-	-	-	-	1,412,360	1,412,360
-	-	-	-	2,559,902	2,559,902
-	-	-	-	441,362	441,362
-	-	-	-	-	(615,065)
255,160	2,570,731	3,856,660	383,534	90,259,673	127,400,383
1,742,811	4,064,870	3,856,660	383,534	96,870,419	139,318,075

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018

	Special Revenue Funds			
	Criminal Justice Grant	Irving Convention and Visitors Bureau	Irving Arts Center	Police Narcotics
Revenues:				
Taxes	$ -	8,400,785	4,695,026	-
Fines, forfeitures, and penalties	-	-	-	-
Charges for services	-	-	572,679	-
Intergovernmental	145,977	-	-	404,196
Investment income	-	71,573	81,396	-
Miscellaneous	-	66,977	138,775	38,075
Total revenues	145,977	8,539,335	5,487,876	442,271
Expenditures:				
Current:				
Police	221,082	-	-	418,811
Fire	-	-	-	-
Parks	-	-	-	-
Municipal court	-	-	-	-
Library	-	-	-	-
Community development	-	8,822,884	5,566,763	-
Public works	-	-	-	-
Debt Service				
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	221,082	8,822,884	5,566,763	418,811
Excess (deficiency) of revenues over (under) expenditures	(75,105)	(283,549)	(78,887)	23,460
Other financing sources (uses):				
Issuance of general obligation, tax notes and certificate of obligation bonds	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	75,105	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	75,105	-	-	-
Net change in fund balances	-	(283,549)	(78,887)	23,460
Fund balances, beginning of year	-	6,128,047	6,391,282	1,483,525
Fund balances, end of year	$ -	5,844,498	6,312,395	1,506,985

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018
(Continued)

Special Revenue Funds					
Historical Preservation	Local Law Enforcement Block Grant	Municipal Court Security Fees	Texas Highway Safety Grant	Misc Grant	Convention Center Complex
147,382	-	-	-	-	7,021,859
-	-	393,094	-	-	-
-	-	-	-	-	-
-	134,242	-	145,752	158,655	-
4,557	-	19,341	-	-	77,139
-	-	43,555	-	523	15,077
151,939	134,242	455,990	145,752	159,178	7,114,075
-	190,559	-	202,285	43,618	-
-	-	-	-	-	-
-	-	-	-	151,544	-
-	-	196,577	-	843	-
-	-	-	-	-	-
107,885	-	-	-	-	3,300,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
107,885	190,559	196,577	202,285	196,005	3,300,000
44,054	(56,317)	259,413	(56,533)	(36,827)	3,814,075
-	-	-	-	-	-
-	-	-	-	-	-
-	56,317	-	56,533	-	-
-	-	-	-	-	(7,073,104)
-	56,317	-	56,533	-	(7,073,104)
44,054	-	259,413	-	(36,827)	(3,259,029)
371,717	-	1,527,963	-	315,518	8,518,861
415,771	-	1,787,376	-	278,691	5,259,832

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018
(Continued)

	Special Revenue Funds			
	Entertainment Venue	Museum Fund	HUD Grants Fund	Library Grant Fund
Revenues:				
Taxes	$ 7,526,138	368,455	-	-
Fines, forfeitures, and penalties	-	-	-	-
Charges for services	-	3,042	-	-
Intergovernmental	-	-	2,875,669	52,660
Investment income	122,729	61,495	16	-
Miscellaneous	8,793	3,863	284,487	62,483
Total revenues	7,657,660	436,855	3,160,172	115,143
Expenditures:				
Current:				
Police	-	-	-	-
Fire	-	-	-	-
Parks	-	-	-	-
Municipal court	-	-	-	-
Library	-	-	-	111,800
Community development	4,947,559	507,888	3,232,176	-
Public works	-	-	-	-
Debt Service				
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	4,947,559	507,888	3,232,176	111,800
Excess (deficiency) of revenues over (under) expenditures	2,710,101	(71,033)	(72,004)	3,343
Other financing sources (uses):				
Issuance of general obligation, tax notes and certificate of obligation bonds	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	-	250,000	3,567	-
Transfers out	(4,671,293)	-	(48,642)	-
Total other financing sources (uses)	(4,671,293)	250,000	(45,075)	-
Net change in fund balances	(1,961,192)	178,967	(117,079)	3,343
Fund balances, beginning of year	10,081,661	4,015,178	(450,701)	40,476
Fund balances, end of year	$ 8,120,469	4,194,145	(567,780)	43,819

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018
(Continued)

Special Revenue Funds					
Misc. Special Revenue	Emergency Management Grant	Red Light Camera Enforcement	Irving Housing Finance Corp	PEG Fees Fund	Total nonmajor special revenue funds
-	-	-	-	377,437	28,537,082
-	-	2,777,145	-	-	3,170,239
-	-	-	-	-	575,721
-	326,981	-	-	-	4,244,132
-	-	-	-	-	438,246
229,761	810	-	-	-	893,179
229,761	327,791	2,777,145	-	377,437	37,858,599
-	323,985	-	-	-	1,400,340
-	-	-	-	-	-
157,760	-	-	-	-	309,304
-	-	-	-	-	197,420
-	-	-	-	-	111,800
330	-	-	-	222,638	26,708,123
-	-	2,290,482	-	-	2,290,482
				-	-
-	-	-	-	-	-
-	-	-	-	-	-
158,090	323,985	2,290,482	-	222,638	31,017,469
71,671	3,806	486,663	-	154,799	6,841,130
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	441,522
-	-	(534,155)	-	-	(12,327,194)
-	-	(534,155)	-	-	(11,885,672)
71,671	3,806	(47,492)	-	154,799	(5,044,542)
301,738	(51,091)	2,767,980	182,888	560,210	42,185,252
373,409	(47,285)	2,720,488	182,888	715,009	37,140,710

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018

	Capital Projects Funds			
	Storm Sewer	Park Improve-ment	Fire Station	Criminal Justice
Revenues:				
Taxes	$ -	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	310,899	54,791	15,507	-
Miscellaneous	-	-	123,894	-
Total revenues	310,899	54,791	139,401	-
Expenditures:				
Current:				
Police	-	-	-	-
Fire	-	-	-	-
Parks	-	-	-	-
Municipal court	-	-	-	-
Library	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Debt Service				
Interest and other charges	83,340	27,235	4,978	-
Capital outlay	2,949,017	4,828,099	50,739	-
Total expenditures	3,032,357	4,855,334	55,717	-
Excess (deficiency) of revenues over (under) expenditures	(2,721,458)	(4,800,543)	83,684	-
Other financing sources (uses):				
Issuance of general obligation, tax notes certificate of obligation bonds	10,473,284	3,422,596	625,554	-
Premium (discount) on bonds issued	1,331,316	435,065	79,518	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	11,804,600	3,857,661	705,072	-
Net change in fund balances	9,083,142	(942,882)	788,756	-
Fund balances, beginning of year	18,805,476	4,616,988	821,934	25,296
Fund balances, end of year	$ 27,888,618	3,674,106	1,610,690	25,296

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018
(Continued)

Capital Projects Funds					
Landfill	City Buildings Improve-ment	DART	Radio Communi-cation Systems	Non-bond CIP	Street Improvement
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	178,541	-
85,478	18,660	738	8,370	54,917	356,045
-	-	-	-	102,546	-
85,478	18,660	738	8,370	336,004	356,045
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,244	-	5,334	-	193,417
1,628,701	172,312	-	106,063	5,470,232	12,676,412
1,628,701	181,556	-	111,397	5,470,232	12,869,829
(1,543,223)	(162,896)	738	(103,027)	(5,134,228)	(12,513,784)
-	1,161,697	-	670,240	-	24,306,629
-	147,670	-	85,198	-	3,089,748
-	-	-	-	4,455,254	-
-	-	-	-	-	(900,000)
-	1,309,367	-	755,438	4,455,254	26,496,377
(1,543,223)	1,146,471	738	652,411	(678,974)	13,982,593
6,523,560	1,159,242	126,698	402,395	5,092,598	19,013,611
4,980,337	2,305,713	127,436	1,054,806	4,413,624	32,996,204

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018
(Continued)

	Capital Projects Funds			
	Entertainment Venue	Texas Stadium Venue Project	Veterans Memorial Park	Infrastructure
Revenues:				
Taxes	$ -	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Investment income	-	4,154	-	28,081
Miscellaneous	-	-	-	-
Total revenues	-	4,154	-	28,081
Expenditures:				
Current:				
Police	-	-	-	-
Fire	-	-	-	-
Parks	-	-	-	-
Municipal court	-	-	-	-
Library	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Debt Service				
Interest and other charges	-	-	-	114,988
Capital outlay	-	9,580	450	2,256,208
Total expenditures	-	9,580	450	2,371,196
Excess (deficiency) of revenues over (under) expenditures	-	(5,426)	(450)	(2,343,115)
Other financing sources (uses):				
Issuance of general obligation, tax notes certificate of obligation bonds	-	-	-	5,405,000
Premium (discount) on bonds issued	-	-	-	217,093
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	5,622,093
Net change in fund balances	-	(5,426)	(450)	3,278,978
Fund balances, beginning of year	131,500	697,194	14,962	-
Fund balances, end of year	$ 131,500	691,768	14,512	3,278,978

City of Irving, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2018
(Continued)

Capital Projects Funds					
HQ Hotel Public Space Bond	Convention Center Hotel Garage Bond	Gateway Development	PID #3 Parkside	Total nonmajor capital projects	Total nonmajor governmental funds
-	-	-	-	-	28,537,082
-	-	-	-	-	3,170,239
-	-	-	-	-	575,721
-	-	-	-	178,541	4,422,673
157,008	104,588	52,065	6,363	1,257,664	1,695,910
-	-	-	-	226,440	1,119,619
157,008	104,588	52,065	6,363	1,662,645	39,521,244
-	-	-	-	-	1,400,340
-	-	-	-	-	-
-	-	-	-	-	309,304
-	-	-	-	-	197,420
-	-	-	-	-	111,800
-	-	-	-	-	26,708,123
-	-	-	-	-	2,290,482
-	-	-	-	438,536	438,536
18,077,012	8,231,044	-	546,947	57,002,816	57,002,816
18,077,012	8,231,044	-	546,947	57,441,352	88,458,821
(17,920,004)	(8,126,456)	52,065	(540,584)	(55,778,707)	(48,937,577)
-	-	-	-	46,065,000	46,065,000
-	-	-	-	5,385,608	5,385,608
-	-	-	-	4,455,254	4,896,776
-	-	-	-	(900,000)	(13,227,194)
-	-	-	-	55,005,862	43,120,190
(17,920,004)	(8,126,456)	52,065	(540,584)	(772,845)	(5,817,387)
18,175,164	10,697,187	3,804,595	924,118	91,032,518	133,217,770
255,160	2,570,731	3,856,660	383,534	90,259,673	127,400,383

(Concluded)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Criminal Justice Grant Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 150,000	145,977	(4,023)
Total revenues	150,000	145,977	(4,023)
Expenditures:			
Police	234,957	221,082	13,875
Total expenditures	234,957	221,082	13,875
Excess (deficiency) of revenues over (under) expenditures	(84,957)	(75,105)	9,852
Other financing sources:			
Transfers in	84,957	75,105	(9,852)
Total other financing sources:	84,957	75,105	(9,852)
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	-	-

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Irving Convention and Visitors Bureau Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 8,485,907	8,400,785	(85,122)
Investment income	24,400	71,573	47,173
Miscellaneous	55,000	66,977	11,977
Total revenues	8,565,307	8,539,335	(25,972)
Expenditures:			
Community Development	10,346,274	8,822,884	1,523,390
Total expenditures	10,346,274	8,822,884	1,523,390
Excess (deficiency) of revenues over (under) expenditures	(1,780,967)	(283,549)	1,497,418
Net change in fund balances	(1,780,967)	(283,549)	1,497,418
Fund balances, beginning of year	6,128,047	6,128,047	-
Fund balances, end of year	$ 4,347,080	5,844,498	1,497,418

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Irving Arts Center Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 4,724,257	4,695,026	(29,231)
Charges for services	466,723	572,679	105,956
Investment income	19,047	81,396	62,349
Miscellaneous	134,748	138,775	4,027
Total revenues	5,344,775	5,487,876	143,101
Expenditures:			
Community Development	6,752,300	5,566,763	1,185,537
Total expenditures	6,752,300	5,566,763	1,185,537
Excess (deficiency) of revenues over (under) expenditures	(1,407,525)	(78,887)	1,328,638
Net change in fund balances	(1,407,525)	(78,887)	1,328,638
Fund balances, beginning of year	6,391,282	6,391,282	-
Fund balances, end of year	$ 4,983,757	6,312,395	1,328,638

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Police Narcotics Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 400,000	404,196	4,196
Investment income	-	-	-
Miscellaneous	15,000	38,075	23,075
Total revenues	415,000	442,271	27,271
Expenditures:			
Police	461,348	418,811	42,537
Total expenditures	461,348	418,811	42,537
Excess (deficiency) of revenues over (under) expenditures	(46,348)	23,460	69,808
Net change in fund balances	(46,348)	23,460	69,808
Fund balances, beginning of year	1,483,525	1,483,525	-
Fund balances, end of year	$ 1,437,177	1,506,985	69,808

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Historical Preservation Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 148,876	147,382	(1,494)
Investment income	2,542	4,557	2,015
Total revenues	151,418	151,939	521
Expenditures:			
Community development	146,695	107,885	38,810
Total expenditures	146,695	107,885	38,810
Excess of revenues over expenditures	4,723	44,054	39,331
Net change in fund balances	4,723	44,054	39,331
Fund balances, beginning of year	371,717	371,717	-
Fund balances, end of year	$ 376,440	415,771	39,331

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Local Law Enforcement Block Grant Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 341,175	134,242	(206,933)
Total revenues	341,175	134,242	(206,933)
Expenditures:			
Police	491,917	190,559	301,358
Total expenditures	491,917	190,559	301,358
Deficiency of revenues under expenditures	(150,742)	(56,317)	94,425
Other financing sources:			
Transfers in	150,742	56,317	(94,425)
Total other financing sources	150,742	56,317	(94,425)
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	-	-

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Municipal Court Security Fees Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Revenues:			
Fines	$ 331,913	393,094	61,181
Miscellaneous	78,645	43,555	(35,090)
Investment income	5,525	19,341	13,816
Total revenues	416,083	455,990	39,907
Expenditures:			
Municipal court	373,514	196,577	176,937
Total expenditures	373,514	196,577	176,937
Excess of revenues over expenditures	42,569	259,413	216,844
Net change in fund balances	42,569	259,413	216,844
Fund balances, beginning of year	1,527,963	1,527,963	-
Fund balances, end of year	$ 1,570,532	1,787,376	216,844

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Texas Highway Safety Grant Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 180,386	145,752	(34,634)
Total revenues	180,386	145,752	(34,634)
Expenditures:			
Police	272,164	202,285	69,879
Total expenditures	272,164	202,285	69,879
Deficiency of revenues under expenditures	(91,778)	(56,533)	35,245
Other financing sources:			
Transfers in	91,778	56,533	(35,245)
Total other financing sources:	91,778	56,533	(35,245)
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	-	-

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Miscellaneous Grants Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Revenues:			
Intergovernmental	$ 121,959	158,655	36,696
Miscellaneous revenue	3,600	523	(3,077)
Total revenues	125,559	159,178	33,619
Expenditures:			
Police	32,272	43,618	(11,346)
Fire	11,112	-	11,112
Parks	133,614	151,544	(17,930)
Community development	-	-	-
Municipal court	2,500	843	1,657
Public works	-	-	-
Total expenditures	179,498	196,005	(16,507)
Excess (deficiency) of revenues over (under) expenditures	(53,939)	(36,827)	17,112
Net change in fund balances	(53,939)	(36,827)	17,112
Fund balances, beginning of year	315,518	315,518	-
Fund balances, end of year	$ 261,579	278,691	17,112

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Convention Center Complex Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 7,097,150	7,021,859	(75,291)
Investment income	1,891	77,139	75,248
Miscellaneous	-	15,077	15,077
Total revenues	7,099,041	7,114,075	15,034
Expenditures:			
Community development	3,300,000	3,300,000	-
Total expenditures	3,300,000	3,300,000	-
Excess of revenues over expenditures	3,799,041	3,814,075	15,034
Other financing uses:			
Transfers out	(7,097,150)	(7,073,104)	24,046
Total other financings uses	(7,097,150)	(7,073,104)	24,046
Net change in fund balances	(3,298,109)	(3,259,029)	39,080
Fund balances, beginning of year	8,518,861	8,518,861	-
Fund balances, end of year	$ 5,220,752	5,259,832	39,080

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – Entertainment Venue Fund

Year ended September 30, 2018

		Budget	Actual	Variance positive (negative)
Revenues:				
Taxes	$	13,455,023	7,526,138	(5,928,885)
Investment income		32,921	122,729	89,808
Miscellaneous		-	8,793	8,793
Total revenues		13,487,944	7,657,660	(5,830,284)
Expenditures:				
Community development		11,668,817	4,947,559	6,721,258
Total expenditures		11,668,817	4,947,559	6,721,258
Excess of revenues over expenditures		1,819,127	2,710,101	890,974
Other financing uses:				
Transfers out		(4,671,893)	(4,671,293)	600
Total other financing uses:		(4,671,893)	(4,671,293)	600
Net change in fund balances		(2,852,766)	(1,961,192)	891,574
Fund balances, beginning of year		10,081,661	10,081,661	-
Fund balances, end of year	$	7,228,895	8,120,469	891,574

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Museum Fund

Year ended September 30, 2018

		Budget	Actual	Variance positive (negative)
Revenues:				
Taxes	$	372,189	368,455	(3,734)
Charges for services		3,500	3,042	(458)
Investment income		5,750	61,495	55,745
Miscellaneous		5,000	3,863	(1,137)
Total revenues		386,439	436,855	50,416
Expenditures:				
Community development		3,462,011	507,888	2,954,123
Total expenditures		3,462,011	507,888	2,954,123
Excess (deficiency) of revenues over (under) expenditures		(3,075,572)	(71,033)	3,004,539
Other financing sources:				
Transfers in		250,000	250,000	-
Total other financing sources:		250,000	250,000	-
Net change in fund balances		(2,825,572)	178,967	3,004,539
Fund balances, beginning of year		4,015,178	4,015,178	-
Fund balances, end of year	$	1,189,606	4,194,145	3,004,539

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual – HUD Grants Fund

Year ended September 30, 2018

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	8,196,940	2,875,669	(5,321,271)
Miscellaneous:				
Program income		168,797	282,610	113,813
Donations		7,054	1,877	(5,177)
Interest Income		-	16	16
Total revenues		8,372,791	3,160,172	(5,212,619)
Expenditures:				
Community development		8,233,090	3,232,176	5,000,914
Total expenditures		8,233,090	3,232,176	5,000,914
Excess (deficiency) of revenues over (under) expenditures		139,701	(72,004)	(211,705)
Other financing uses:				
Transfers in		-	3,567	3,567
Transfers out		(47,194)	(48,642)	(1,448)
Total other financing uses		(47,194)	(45,075)	2,119
Net change in fund balances		92,507	(117,079)	(209,586)
Fund deficit, beginning of year		(450,701)	(450,701)	-
Fund deficit, end of year	$	(358,194)	(567,780)	(209,586)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Library Grant Fund

Year ended September 30, 2018

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	4,391	52,660	48,269
Other grant revenue		30,000	-	(30,000)
Donations		57,000	62,483	5,483
Total revenues		91,391	115,143	23,752
Expenditures:				
Library		124,141	111,800	12,341
Total expenditures		124,141	111,800	12,341
Excess (deficiency) of revenues over (under) expenditures		(32,750)	3,343	36,093
Net change in fund balances		(32,750)	3,343	36,093
Fund balances, beginning of year		40,476	40,476	-
Fund balances, end of year	$	7,726	43,819	36,093

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Miscellaneous Special Revenue Fund

Year ended September 30, 2018

		Budget	Actual	Variance positive (negative)
Revenues:				
Miscellaneous	$	298,616	229,761	(68,855)
Total revenues		298,616	229,761	(68,855)
Expenditures:				
Parks		199,612	157,760	41,852
Community development		108,296	330	107,966
Total expenditures		307,908	158,090	149,818
Excess (deficiency) of revenues over (under) expenditures		(9,292)	71,671	80,963
Net change in fund balances		(9,292)	71,671	80,963
Fund balances, beginning of year		301,738	301,738	-
Fund balances, end of year	$	292,446	373,409	80,963

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Emergency Management Grant Fund

Year ended September 30, 2018

		Budget	Actual	Variance positive (negative)
Revenues:				
Intergovernmental	$	573,980	326,981	(246,999)
Program income		-	810	810
Total revenues		573,980	327,791	(246,189)
Expenditures:				
Police		516,692	323,985	192,707
Total expenditures		516,692	323,985	192,707
Excess (deficiency) of revenues over (under) expenditures		57,288	3,806	(53,482)
Net change in fund balances		57,288	3,806	(53,482)
Fund balances, beginning of year		(51,091)	(51,091)	-
Fund balances, end of year	$	6,197	(47,285)	(53,482)

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Red Light Enforcement Fund

Year ended September 30, 2018

		Budget	Actual	Variance positive (negative)
Revenues:				
Fines, forfeitures, and penalties	$	2,200,000	2,777,145	577,145
Total revenues		2,200,000	2,777,145	577,145
Expenditures:				
Traffic		1,934,574	2,290,482	(355,908)
Total expenditures		1,934,574	2,290,482	(355,908)
Excess of revenues over expenditures		265,426	486,663	221,237
Other financing uses:				
Transfers out		(534,155)	(534,155)	-
Total other financing uses		(534,155)	(534,155)	-
Net change in fund balances		(268,729)	(47,492)	221,237
Fund balances, beginning of year		2,767,980	2,767,980	-
Fund balances, end of year	$	2,499,251	2,720,488	221,237

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – Irving Housing Finance Corporation Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Expenditures:			
Community development	-	-	-
Total expenditures	-	-	-
Deficiency of revenues under expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	182,888	182,888	-
Fund balances, end of year	$ 182,888	182,888	-

CITY OF IRVING, TEXAS

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget (GAAP Basis) and Actual – PEG Fee Fund

Year ended September 30, 2018

	Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	$ 354,000	377,437	23,437
Total revenues	354,000	377,437	23,437
Expenditures:			
Community development	396,704	222,638	174,066
Total expenditures	396,704	222,638	174,066
Excess (deficiency) of revenues over (under) expenditures	(42,704)	154,799	197,503
Net change in fund balances	(42,704)	154,799	197,503
Fund balances, beginning of year	560,210	560,210	-
Fund balances, end of year	$ 517,506	715,009	197,503

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department for another. The City's Internal Service Funds are as follows:

Garage and Equipment Replacement – This fund is to account for the repair, maintenance, and replacement of all City vehicles. The Garage and Equipment Replacement Fund accounts for all City vehicles, and charges user departments for the costs of servicing and replacing City vehicles. The charges are allocated to the various departments in proportion to the number and types of vehicles operated by the department and in proportion to the extent of the use of the maintenance service.

Self-Insurance – This fund is to account for the City's self–insurance programs. The City is self-insured for workers' compensation, general liability, auto physical damage, and employees' medical benefits for those who elect the City's coverage. The City's group life insurance coverage is also included in this fund for financial reporting convenience.

Computer Replacement – This fund is to provide for the replacement of City computers. The individual departments transfer money into this fund each year based on depreciation.

City of Irving, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2018

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 3,166,887	6,476,347	1,785,249	11,428,483
Investments	10,935,698	26,811,800	989,527	38,737,025
Accrued interest	80,379	202,560	6,540	289,479
Inventories, at cost	173,823	-	-	173,823
Total current assets	14,356,787	33,490,707	2,781,316	50,628,810
Noncurrent assets:				
Capital assets:				
Buildings	147,980	-	-	147,980
Equipment	54,132,790	-	7,559,088	61,691,878
Construction in progress	1,238,151	-	-	1,238,151
Less: accumulated depreciation	(38,062,458)	-	(7,057,618)	(45,120,076)
Total noncurrent assets	17,456,463	-	501,470	17,957,933
Total assets	31,813,250	33,490,707	3,282,786	68,586,743
Deferred outflows of resources				
Deferred outflow from pensions	237,885	-	-	237,885
Deferred outflow from OPEB	10,341	-	-	10,341
Total deferred outflow of resources	248,226	-	-	248,226
Liabilities				
Current liabilities:				
Accounts payable	117,152	542,299	49,465	708,916
Accrued wages and benefits	74,910	-	-	74,910
Lease payable	1,548,900	-	-	1,548,900
Sundry payable	-	16,533	-	16,533
Retainage payables	-	129,328	-	129,328
Estimated liability for unpaid claims	-	4,654,012	-	4,654,012
Total current liabilities	1,740,962	5,342,172	49,465	7,132,599
Noncurrent liabilities, net of current portion:				
Estimated liability for unpaid claims	-	3,805,457	-	3,805,457
OPEB payable	159,112	-	-	159,112
Net Pension Liabilities	1,029,803	-	-	1,029,803
Lease payable	4,160,837	-	-	4,160,837
Total noncurrent liabilities	5,349,752	3,805,457	-	9,155,209
Total liabilities	7,090,714	9,147,629	49,465	16,287,808
Deferred inflows of resources				
Deferred inflow from pensions	162,588	-	-	162,588
Total deferred inflow of resources	162,588	-	-	162,588
Net Position				
Net investment in capital assets	11,746,726	-	501,470	12,248,196
Unrestricted	13,061,448	24,343,078	2,731,851	40,136,377
Total net position	$ 24,808,174	24,343,078	3,233,321	52,384,573

City of Irving, Texas
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
Year ended September 30, 2018

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Operating revenues:				
Charges for services	$ 10,725,916	32,278,194	1,382,994	44,387,104
Miscellaneous	131,536	1,580	210,458	343,574
Total operating revenues	10,857,452	32,279,774	1,593,452	44,730,678
Operating expenses:				
Personnel services	1,916,832	-	-	1,916,832
Pension expense	148,584	-	-	148,584
OPEB expense	6,840	-	-	6,840
Supplies	4,436,017	-	1,091,505	5,527,522
Maintenance	266,348	-	-	266,348
Depreciation	4,583,045	-	207,343	4,790,388
Claims	-	24,887,204	-	24,887,204
Insurance premiums	-	2,588,979	-	2,588,979
Other	234,848	1,498,054	-	1,732,902
Total operating expenses	11,592,514	28,974,237	1,298,848	41,865,599
Operating income (loss)	(735,062)	3,305,537	294,604	2,865,079
Nonoperating revenues (expenses):				
Investment income	168,679	427,947	35,373	631,999
Interest expense	(85,512)	-	-	(85,512)
Gain on sale of capital assets	74,571	-	-	74,571
Total nonoperating revenues (expenses)	157,738	427,947	35,373	621,058
Income (loss)	(577,324)	3,733,484	329,977	3,486,137
Change in net position	(577,324)	3,733,484	329,977	3,486,137
Net position, beg of year as restated (see note 1(s))	25,385,498	20,609,594	2,903,344	48,898,436
Net position, end of year	$ 24,808,174	24,343,078	3,233,321	52,384,573

City of Irving, Texas
Combining Statement of Cash Flows
Internal Service Funds
Year ended September 30, 2018

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Cash flows from operating activities:				
Receipts from customers	$ 10,725,916	33,254,063	1,593,452	45,573,431
Payments to suppliers for goods, services and claims	(5,141,867)	(27,059,932)	(1,415,200)	(33,616,999)
Payments to employees	(1,923,014)	-	-	(1,923,014)
Other receipts	131,536	1,580	-	133,116
Other payments	-	(1,498,054)	-	(1,498,054)
Net cash provided by operating activities	3,792,571	4,697,657	178,252	8,668,480
Cash flows from capital and related financing activities:				
Proceeds from lease agreement	1,321,116	-	-	1,321,116
Principal payment on lease payable	(1,278,646)	-	-	(1,278,646)
Interest payment on lease payable	(85,512)	-	-	(85,512)
Proceeds from sale of capital assets	397,650	-	-	397,650
Acquisitions of capital assets	(2,964,800)	-	(326,479)	(3,291,279)
Net cash used in capital and related financing activities	(2,610,192)	-	(326,479)	(2,936,671)
Cash flows from investing activities:				
Interest on investments	104,368	304,022	39,182	447,572
Purchase of investments	(12,175,956)	(29,783,219)	(2,477,492)	(44,436,667)
Maturities of investments	9,417,798	26,756,944	2,974,860	39,149,602
Net cash provided by (used in) investing activities	(2,653,790)	(2,722,253)	536,550	(4,839,493)
Net increase (decrease) in cash and cash equivalents	(1,471,411)	1,975,404	388,323	892,316
Cash and cash equivalent, beginning of the year	4,638,298	4,500,943	1,396,926	10,536,167
Cash and cash equivalent, end of the year	$ 3,166,887	6,476,347	1,785,249	11,428,483

(continued)

City of Irving, Texas
Combining Statement of Cash Flows -
Reconciliation of Operating Income
Internal Service Funds
Year ended September 30, 2018

	Garage and equipment replacement	Self-insurance	Computer replacement	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ (735,062)	3,305,537	294,604	2,865,079
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: operating activities:				
Depreciation	4,583,045	-	207,343	4,790,388
Changes in assets and liabilities:				
Decrease in accounts receivable	-	975,869	-	975,869
(Increase) in inventories	(39,955)	-	-	(39,955)
Decrease in deferred outflow from pensions	509,065	-	-	509,065
(Increase) in deferred outflow from OPEB	(10,341)	-	-	(10,341)
Increase (decrease) in accounts payable	(164,699)	121,711	(323,695)	(366,683)
(Decrease) in accrued wages and benefits	(6,181)	-	-	(6,181)
Increase in retainage payable	-	129,328	-	129,328
Increase in sundry payable	-	10,536	-	10,536
Increase in estimated liability for unpaid claims	-	154,676	-	154,676
Increase in OPEB payable	17,181	-	-	17,181
(Decrease) in net pension liability	(467,703)	-	-	(467,703)
Increase in deferred inflow from pensions	107,221	-	-	107,221
Total adjustments	4,527,633	1,392,120	(116,352)	5,803,401
Net cash provided by operating activities	$ 3,792,571	4,697,657	178,252	8,668,480

(concluded)

IRVING
TEXAS

Trust and Agency Funds

Trust and Agency Funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's Trust and Agency Funds are as follows:

Pension Trust Funds

Supplemental Benefit Plan – This fund is to account for funds held to provide retirement income to City employees. The plan is funded through contributions from the City and employees' payroll deductions. The plan was established to provide retirement income to supplement benefits provided through the Texas Municipal Retirement System.

Voluntary Employee Beneficiary Association – This fund is to account for funds held to provide a temporary monthly benefit to certain eligible retirees of the City to help cover a portion of the eligible retiree's cost of medical coverage from the City. Funds can also be used to offset active employee health insurance premiums. The plan is funded through contributions from the City.

Agency Funds

Cash Bond – This fund is to account for cash bonds posted by an individual accused of committing a crime. The amount of the bond will be sufficient to cover any potential fines. The bonds of those who fail to appear are forfeited and recorded as General Fund revenues. Bonds of those who do appear are returned, net of any penalties or fines.

CITY OF IRVING, TEXAS

Combining Statement of Plan Net Position - Pension Trust Funds

Year ended September 30, 2018

	Pension Trust Funds		
Assets	Supplemental Benefit Plan	Voluntary Employee Beneficiary Association	Total
Cash and cash equivalents	$ 1,844,511	189,657	2,034,168
Receivables			
Account receivable	97,111	-	97,111
Interest receivable on investments	172	-	172
Investments, at fair value			
U.S. Government securities	1,438,689	-	1,438,689
Common stock	30,892,698	-	30,892,698
Alternative investment/hedge fund	18,510,857	-	18,510,857
Mutual funds	4,016,795	-	4,016,795
Corporate bonds	6,048,884	-	6,048,884
Total assets	62,849,717	189,657	63,039,374
Net Position			
Held in trust for pension benefits and other purposes	$ 62,849,717	189,657	63,039,374

CITY OF IRVING, TEXAS

Statement of Changes in Plan Net Position - Pension Trust Funds

Year ended September 30, 2018

	Pension Trust Funds		
	Supplemental Benefits Plan	Voluntary Employee Beneficiary Association	Total
ADDITIONS:			
Employee contributions	$ 2,618,492	-	2,618,492
Employer contributions	2,180,700	-	2,180,700
Investment income			
Net increase in fair value of investments	3,078,827	-	3,078,827
Interest Income	1,666,216	-	1,666,216
Total investment income	4,745,043	-	4,745,043
Less investment expense	(331,260)	-	(331,260)
Net investment income (loss)	4,413,783	-	4,413,783
Total additions	9,212,975	-	9,212,975
DEDUCTIONS:			
Benefits and refunds paid	3,873,640	39,319	3,912,959
Administrative costs	158,528	-	158,528
Total deductions	4,032,168	39,319	4,071,487
Net change in plan net position	5,180,807	(39,319)	5,141,488
Plan net position, beginning of year	57,668,910	228,976	57,897,886
Plan net position, end of year	$ 62,849,717	189,657	63,039,374

CITY OF IRVING, TEXAS

Statement of Changes in Assets and Liabilities - Agency Fund

Year ended September 30, 2018

Cash Bond Fund		Balance September 30, 2017	Additions	Deductions	Balance September 30, 2018
Assets:					
Cash and cash equivalents	$	28,463	379,296	386,698	21,061
Total assets	$	28,463	379,296	386,698	21,061
Liabilities:					
Sundry payables	$	28,463	494,097	501,499	21,061
Total liabilities	$	28,463	494,097	501,499	21,061

CITY OF IRVING, TEXAS

Statistical Section (Unaudited)

This part of the City of Irving's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	156
These schedules contain trend information to help the readers understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	166
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	
Debt Capacity	172
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	177
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	182
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF IRVING, TEXAS

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2009	2010	2011	2012	2013
Governmental activities:					
Net investment in capital assets	$ 371,723	$ 337,116	$ 336,269	$ 313,508	$ 307,145
Restricted	54,492	48,376	47,770	57,316	66,824
Unrestricted	52,171	25,699	32,383	35,147	42,383
Total governmental activities net position	$ 478,386	$ 411,191	$ 416,422	$ 405,971	$ 416,352
Business-type activities:					
Net investment in capital assets	$ 208,630	$ 251,247	$ 253,903	$ 262,333	$ 268,767
Restricted	9,482	9,558	10,420	10,618	11,341
Unrestricted	41,557	39,529	54,309	65,000	73,204
Total business-type activities net position	$ 259,669	$ 300,334	$ 318,632	$ 337,951	$ 353,312
Primary government:					
Net investment in capital assets	580,353	$ 588,363	$ 590,172	$ 575,841	$ 575,912
Restricted	63,974	57,934	58,190	67,934	78,165
Unrestricted	93,728	65,228	86,692	100,147	115,587
Total primary government net position	$ 738,055	$ 711,525	$ 735,054	$ 743,922	$ 769,665

Note: In Fiscal Year 2014, City implemented GASB Statement 65. Amounts have been restated due to issuance cost, previously amortized over the life of the debt issuance now expensed at the time of issue. Amounts have been applied retroactively.

Source: Comprehensive Annual Financial Reports

Schedule 1

2014	2015	2016	2017	2018
$ 287,777	$ 302,297	$ 306,679	$ 314,198	$ 433,549
78,508	89,993	107,018	128,948	126,169
31,746	(23,930)	(30,480)	(33,891)	(38,749)
$ 398,031	$ 368,360	$ 383,218	$ 409,255	$ 520,969
$ 273,032	$ 290,324	$ 312,096	$ 337,869	$ 362,612
11,093	11,103	11,332	12,024	11,895
78,761	68,523	61,751	66,224	82,235
$ 362,886	$ 369,950	$ 385,179	$ 416,117	$ 456,743
$ 560,809	$ 592,621	$ 618,775	$ 652,067	$ 796,161
89,601	101,097	118,350	140,973	138,064
110,507	44,592	31,271	32,332	43,487
$ 760,917	$ 738,310	$ 768,396	$ 825,372	$ 977,712

CITY OF IRVING, TEXAS

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2009	2010	2011	2012	2013
Expenses					
Governmental activities:					
General government	$ 55,249	$ 31,975	$ 34,892	$ 35,741	$ 36,685
Police	56,752	58,015	54,712	53,943	56,113
Fire	35,732	36,256	36,349	37,142	39,778
Public health & environmental services	8,259	-	-	-	-
Animal Services	1,172	1,316	925	892	1,291
Parks and recreation	15,853	19,161	15,304	15,508	15,738
Municipal court	3,079	3,183	3,036	2,918	2,920
Library	7,317	7,107	6,488	6,448	6,391
Community development	30,081	42,752	32,656	27,393	23,482
Drainage utilities	5,013	-	-	-	-
Public works	33,100	33,706	25,185	25,945	26,857
Interest on long-term debt	15,554	16,601	16,900	16,283	20,305
Total governmental activities expenses	267,161	250,072	226,447	222,213	229,560
Business-type activities:					
Water and sanitary sewer	70,185	70,415	72,151	66,593	70,189
Solid waste	-	-	10,562	10,541	10,928
Municipal Drainage	-	-	6,205	5,177	5,445
Total business-type activities expenses	70,185	70,415	88,918	82,311	86,562
Total primary government expenses	$ 337,346	$ 320,487	$ 315,364	$ 304,524	$ 316,122
Program Revenues					
Governmental activities:					
Charges for services:					
General Government	7,795	$ 3,787	$ 4,449	$ 4,430	$ 5,631
Police	5,020	5,276	5,203	5,588	5,705
Fire	2,050	3,954	3,695	4,076	4,130
Public health & environmental services	10,941	-	-	-	-
Municipal court	8,804	7,972	7,459	8,743	7,810
Community development	5,195	8,020	3,890	1,382	1,349
Drainage Utilities	5,144	-	-	-	-
Other	2,059	2,344	2,362	2,388	2,448
Operating grants and contributions	9,804	12,021	12,997	10,686	11,190
Capital grants and contributions	14,256	1,987	6,631	1,694	2,174
Total governmental activities program revenues	71,068	45,361	46,686	38,987	40,439
Business-type activities:					
Charges for services:					
Water and sewer	75,901	75,513	85,404	84,382	85,157
Solid waste	-	10,483	11,204	11,238	11,130
Municipal Drainage	-	5,209	5,247	5,242	5,250
Capital grants and contributions	3,475	497	1,405	1,543	1,054
Total business-type activities program revenues	79,376	91,702	103,260	102,405	102,591
Total primary government program revenues	$ 150,444	$ 137,063	$ 149,946	$ 141,392	$ 143,030

(continued)

2014	2015	2016	2017	2018
$ 31,865	$ 40,429	$ 42,468	$ 41,430	$ 43,122
56,605	73,179	61,715	65,431	66,527
39,457	40,783	47,935	52,978	53,450
-	-	-	-	-
1,380	1,754	1,693	1,915	-
16,640	20,323	19,288	18,428	19,391
2,923	3,697	2,996	3,248	3,168
6,844	8,829	8,085	8,218	7,850
37,323	35,564	35,217	35,600	40,167
-	-	-	-	-
33,786	30,365	30,045	32,658	36,592
20,530	20,465	20,281	21,929	19,602
247,353	275,387	269,724	281,837	289,870
75,350	82,733	83,728	86,772	87,168
10,951	12,477	12,230	11,916	12,382
5,651	6,749	5,775	5,790	5,536
91,952	101,960	101,734	104,478	105,086
$ 339,305	377,348	371,457	386,314	394,956
$ 5,173	$ 6,409	$ 5,274	$ 6,250	$ 5,235
5,576	5,000	5,822	8,388	6,738
3,953	4,217	4,683	5,207	5,694
-	-	-	-	-
7,470	6,509	4,953	5,480	5,834
1,535	1,563	2,657	2,195	2,196
-	-	-	-	-
2,755	2,656	3,204	3,156	2,752
11,159	12,815	13,759	14,405	15,980
2,842	7,041	5,928	8,262	90,591
40,463	46,210	46,282	53,342	135,020
82,397	84,826	92,380	106,758	112,052
11,716	12,449	13,149	15,203	17,063
5,527	5,241	5,234	5,254	5,306
2,257	5,676	6,391	7,286	11,378
101,897	108,192	117,154	134,502	145,798
$ 142,360	$ 154,401	$ 163,435	$ 187,843	$ 280,818

(continued)

City of Irving, Texas

Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	2009	2010	2011	2012	2013
Net (Expenses)/Program Revenues					
Governmental activities	$ (196,093)	$ (204,711)	$ (179,761)	$ (183,226)	$ (189,121)
Business-type activities	9,191	21,287	14,342	20,094	16,029
Total primary government net expenses	(186,902)	(183,424)	(165,419)	(163,132)	(173,092)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	98,044	94,175	96,490	99,163	103,374
Sales taxes	47,390	44,311	48,212	48,067	53,214
Gross receipts taxes	26,706	19,108	19,961	19,130	19,316
Hotel / motel occupancy taxes	19,866	15,791	18,031	18,939	20,869
Other taxes and fees	-	-	-	-	-
Investment income	2,723	794	257	177	233
Miscellaneous	780	709	270	1,761	1,561
Special Item - landfill closure and post closure	-	(41,909)	-	-	-
Special Item - sale of real estate	-	-	-	-	-
Special Item - loss on loan commitment	-	-	-	(15,984)	-
Special Item - loss on development	-	-	-	-	-
Gain on sale of assets	295	248	404	626	114
Transfers	4,813	4,289	1,367	896	825
Total governmental activities	200,617	137,516	184,992	172,775	199,506
Business-type activities:					
Investment income	953	261	143	121	157
Special Item - landfill closure and post closure	-	41,909	-	-	-
Transfers	(4,813)	(4,290)	(1,367)	(896)	(825)
Total business-type activities	(3,860)	37,880	(1,224)	(775)	(668)
Total primary government	196,757	175,396	183,768	172,000	198,838
Change in Net Position					
Governmental activities	4,524	(67,195)	5,231	(10,451)	10,385
Business-type activities	5,331	59,167	13,118	19,319	15,361
Total primary government	$ 9,855	$ (8,028)	$ 18,349	$ 8,868	$ 25,746

(continued)

Note: In 2010, the governmental activities for public health & environmental services and drainage utilities were operated as business-type activities under solid waste and municipal drainage respectively.

Note: In Fiscal Year 2014, City implemented GASB Statement 65. Amounts have been restated due to issuance cost, previously amortized over the life of the debt now expensed at the time of Amounts have been applied retroactively.

Source: Comprehensive Annual Financial Reports

Schedule 2

2014	2015	2016	2017	2018
$ (206,889)	$ (229,178)	$ (223,441)	$ (228,495)	$ (154,850)
9,946	6,232	15,420	30,024	40,713
(196,943)	(222,946)	(208,021)	(198,471)	(114,137)
106,352	112,750	124,478	136,148	143,327
56,356	64,626	65,247	67,933	68,964
20,041	19,964	20,110	20,889	21,426
22,977	24,617	25,764	26,286	26,151
-	-	-	176	2,008
204	250	917	2,175	5,207
1,372	1,156	1,005	874	760
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(19,512)	-	-	-	-
276	162	211	197	75
500	500	566	(144)	1,011
188,566	224,025	238,299	254,532	268,930
130	124	375	771	1,876
-	-	-	-	-
(500)	(500)	(566)	144	(1,011)
(370)	(376)	(191)	915	865
188,196	223,649	238,107	255,446	269,795
(18,323)	(5,153)	14,857	26,037	114,081
9,576	5,856	15,229	30,938	41,577
$ (8,747)	$ 703	$ 30,086	$ 56,976	$ 155,658

(concluded)

CITY OF IRVING, TEXAS

Fund Balances of Governmental funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year				
	2009	2010	2011	2012	2013
General Fund:					
Non-spendable	$ -	$ -	$ 1,090	$ 88	$ 60
Reserved *	1,827	5,172	-	-	-
Committed	-	-	3,500	-	-
Assigned	-	-	13,244	18,161	22,365
Unreserved/unassigned	34,397	27,975	17,973	22,271	29,034
Total General Fund	$ 36,224	$ 33,147	$ 35,807	$ 40,520	$ 51,459
All other governmental funds:					
Non-Spendable	$ -	$ -	$ -	$ -	$ -
Reserved for:					
Encumbrances	111,551	33,799	-	-	-
Debt service	23,522	18,029	-	-	-
Unreserved, reported in:					
Special revenue funds	37,211	29,806	-	-	-
Capital projects	63,480	52,425	-	-	-
Restricted for:					
Debt service	-	-	19,518	22,708	22,407
Police	-	-	1,243	1,611	1,423
Parks and recreation	-	-	3,318	1,563	1,908
Library	-	-	5,017	11,150	8,481
Community development	-	-	38,926	43,279	50,578
Public works	-	-	26,443	23,529	29,333
Other purposes	-	-	3,792	11,969	14,702
Assigned to:					
Parks and recreation	-	-	1,688	1,420	3,156
Public works	-	-	4,064	2,652	2,744
Other capital projects	-	-	703	1,464	961
Unassigned	-	-	-	(724)	(1,274)
Total all other governmental funds	$ 235,764	$ 134,059	$ 104,712	$ 120,621	$ 134,419

Note: Through fiscal year 2010 includes encumbrances, and noncurrent loan receivables and prepaid items.

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in Fiscal Year 2011.

Schedule 3

Fiscal Year				
2014	2015	2016	2017	2018
$ 41	$ 174	$ 61	$ 44	$ 179
-	-	-	-	-
-	-	-	550	650
19,962	6,378	6,181	5,877	5,056
32,067	54,022	54,922	61,229	64,139
$ 52,070	$ 60,574	$ 61,164	$ 67,700	$ 70,024
$ -	$ -	$ 54	$ 2	3
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
28,560	33,745	34,095	31,742	20,454
1,514	1,601	1,313	1,509	1,532
2,838	3,258	2,834	4,617	3,674
2,652	-	-	-	-
94,476	97,416	88,872	124,313	105,074
41,631	22,494	36,049	51,042	72,570
6,503	10,415	9,470	4,584	10,748
1,049	649	1,864	1,477	1,412
4,116	1,023	2,628	3,005	2,560
2,905	824	287	611	441
(1,170)	(1,101)	(692)	(502)	(615)
$ 185,074	$ 170,324	$ 176,774	$ 222,399	$ 217,853

CITY OF IRVING, TEXAS

Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues					
Taxes	$191,655	$173,530	$182,848	$185,219	$195,866
Fees, licenses, & permits	7,600	7,735	8,277	8,940	9,516
Fines, forfeitures & penalties	8,810	9,657	9,230	10,021	9,363
Charges for services	17,603	1,146	1,289	1,051	1,278
Intergovernmental	13,970	21,181	21,823	18,618	19,273
Investment income	2,348	693	248	147	201
Sale of property	780	710	270	2	1
Miscellaneous	11,534	13,241	13,521	8,749	9,724
Total revenues	254,300	227,893	237,506	232,747	245,222
Expenditures					
General government	43,643	39,458	40,350	39,009	40,436
Police	55,019	54,642	53,454	51,959	51,615
Fire	34,375	34,090	33,767	33,732	34,298
Public health & environ. services	7,445	-	-	-	-
Animal Services	1,134	1,259	919	872	1,301
Parks and recreation	13,777	16,223	12,941	12,833	13,116
Municipal court	2,966	3,212	2,970	2,794	3,008
Library	6,822	6,486	6,018	5,816	5,899
Community development	28,480	38,907	29,987	25,680	24,191
Drainage utilities	4,275	-	-	-	-
Public Works	11,858	12,001	14,167	15,468	16,212
Debt service - principal	17,045	17,865	15,565	13,825	15,615
Debt service - interest	15,133	18,122	17,717	17,727	18,539
Debt service - contract payments	2,052	2,415	2,052	2,323	2,289
Capital outlay	87,597	112,285	39,556	12,845	25,033
Total expenditures	331,621	356,965	269,463	234,883	251,552
Deficiency of revenues under expenditures	(77,321)	(129,072)	(31,957)	(2,136)	(6,330)
Other financing sources (uses)					
Transfer in	51,294	17,779	29,540	16,304	23,660
Transfers out	(46,481)	(21,213)	(31,443)	(15,408)	(22,835)
Bond proceeds	159,790	26,975	6,505	21,398	29,763
Premium on bonds issued	779	748	3,867	383	581
Proceeds of refunding bonds	21,305	-	51,825	30,047	5,775
Loan proceeds	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Payment to refunded bond agent	(23,430)	-	(55,024)	(29,966)	(5,876)
Total other financing sources (uses)	163,257	24,289	5,270	22,758	31,068
Net change in fund balances	$ 85,936	$ (104,783)	$ (26,687)	$ 20,622	$ 24,738
Debt service as a percentage of noncapital expenditures	12.80%	14.21%	14.52%	14.95%	15.08%

Schedule 4

Fiscal Year				
2014	2015	2016	2017	2018
$207,208	$221,700	$235,577	$250,150	$261,389
9,622	9,765	9,962	11,396	10,369
8,422	8,495	7,665	9,854	8,292
1,283	1,405	1,196	1,483	1,148
19,177	20,504	22,303	20,999	22,703
191	218	820	1,937	4,575
42	-	-	-	-
8,898	9,747	11,176	11,577	9,569
254,843	271,834	288,699	307,396	318,045
34,526	37,988	43,150	40,873	42,470
54,407	55,588	58,526	59,917	65,047
36,642	38,013	41,669	44,331	46,613
-	-	-	-	-
1,382	1,533	1,684	1,807	-
13,966	14,824	16,045	16,365	17,324
2,851	2,886	2,846	2,972	3,186
6,279	6,647	7,115	6,986	6,990
34,257	33,831	35,976	39,459	52,841
-	-	-	-	-
17,194	16,868	19,099	20,447	21,401
18,335	16,110	20,400	22,210	26,610
20,244	23,074	21,614	22,587	34,281
2,584	1,831	162	177	158
44,774	41,846	42,420	48,771	57,003
287,441	291,039	310,706	326,902	373,923
(32,598)	(19,205)	(22,007)	(19,505)	(55,879)
21,801	25,278	26,233	20,815	23,000
(21,301)	(24,778)	(25,667)	(20,167)	(21,988)
80,235	12,205	24,830	68,148	46,065
1,744	630	6,449	7,650	16,933
24,660	10,565	18,365	30,405	107,610
-	-	-	-	-
-	-	-	-	-
(23,275)	(10,941)	(21,163)	(35,185)	(117,964)
83,864	12,959	29,047	71,666	53,656
$ 51,266	$ (6,246)	$ 7,040	$ 52,161	$ (2,223)
17.03%	15.65%	16.36%	16.41%	20.30%

CITY OF IRVING, TEXAS **Schedule 5**

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2009	16,480,503,230	4,401,611,390	2,675,755,969	18,206,358,651	0.5406
2010	15,196,175,096	4,383,697,175	1,752,273,031	17,827,599,240	0.5406
2011	14,489,719,443	4,325,358,790	1,738,763,643	17,076,314,590	0.5761
2012	14,053,559,590	4,379,200,039	1,726,293,841	16,706,465,788	0.5986
2013	14,477,941,179	4,581,909,748	1,704,519,446	17,355,331,481	0.5986
2014	15,108,000,600	4,706,099,281	1,739,100,396	18,074,999,485	0.5986
2015	16,337,848,517	4,793,780,413	1,842,898,409	19,288,730,521	0.5941
2016	17,631,447,648	5,531,180,324	1,991,668,357	21,170,959,615	0.5941
2017	19,392,673,254	5,791,151,146	2,199,427,628	22,984,396,772	0.5941
2018	20,800,268,437	5,863,804,617	2,393,829,735	24,270,243,319	0.5941

Source: Dallas Central Appraisal District - Original Certified Tax Roll

Property Tax Rates - Direct and Overlapping (Per $100 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

Fiscal year	City of Irving			Irving School District	Dallas County	Total (1)
	General fund	Debt Service fund	Total			
2009	0.4057	0.1349	0.5406	1.3910	0.5764	2.51
2010	0.3813	0.1593	0.5406	1.4250	0.6022	2.57
2011	0.4152	0.1609	0.5761	1.4650	0.6233	2.66
2012	0.4415	0.1571	0.5986	1.4650	0.6238	2.69
2013	0.4462	0.1524	0.5986	1.4650	0.6434	2.71
2014	0.4452	0.1534	0.5986	1.4650	0.6538	2.72
2015	0.4518	0.1423	0.5941	1.4350	0.6639	2.69
2016	0.4650	0.1291	0.5941	1.4450	0.6628	2.70
2017	0.4641	0.1300	0.5941	1.4450	0.6547	2.69
2018	0.4650	0.1291	0.5941	1.4314	0.6567	2.68

Source: Irving Independent School District and Dallas County

(1) Dallas County rates include all jurisdictions for which ad valorem taxes are applicable to the entire City. These Rates have been presented using the assessment ratio applied by the City of Irving in each respective year. Certain jurisdicitons have been omitted for which immaterial amounts of taxing authority are applicable to the City.

IRVING
TEXAS

CITY OF IRVING, TEXAS **Schedule 7**

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

		2018			2009		
	Taxpayer	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation
*	Aviall, Inc	$1,245,146,990	1	5.13%	$ 520,119,780	1	2.86%
	AGRE Williams Square	214,803,500	2	0.89%	-		-
*	Oncor Electric Delivery	190,175,700	3	0.78%	170,787,100	3	0.94%
	PPF Almi	162,375,840	4	0.67%	-		-
	AVR Hidden Ridge LLC	159,479,100	5	0.66%	-		-
	Piedmont Operating Partnership	139,858,500	6	0.58%	-		-
*	Neiman Marcus Distribution	139,261,510	7	0.57%	84,325,270	9	0.46%
	PCPI Urban Towers	137,183,140	8	0.57%	-		-
	KBS	122,205,000	9	0.50%	-		-
*	Jefferson Properties	104,223,930	10	0.43%			
	Zale Delaware	-		-	205,289,580	2	1.13%
	Exxon Mobil Corp	-		-	92,515,910	8	0.51%
	TIAA Realty, Inc	-		-	163,278,710	4	0.90%
	GTE Realty Corp	-		-	128,505,250	5	0.71%
	BF Las Colinas LP	-		-	98,968,720	7	0.54%
	Verizon	-		-	103,557,950	6	0.57%
	Abbott Laboratories	-		-	78,736,320	10	0.43%
	Total	$2,614,713,210		10.77%	$ 1,646,084,590		9.04%

Source: City of Irving Economic and Demographic Data Book
* Taxable Assessed Value offset by active incentive agreements

CITY OF IRVING, TEXAS

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30	Certified Current Tax Levy (1)	Adjusted Current Tax Levy(2)	Percent of Adjusted to Certified Levy	Adopted Budget(1)	Percent of Budget to Certified Levy
2009	99,750,053	97,785,702	98.03%	98,752,552	99.00%
2010	96,376,001	94,707,159	98.27%	95,412,241	99.00%
2011	97,411,005	96,450,762	99.01%	96,436,895	99.00%
2012	98,959,048	99,091,917	100.13%	96,980,029	98.00%
2013	103,633,782	103,255,236	99.63%	101,820,191	98.25%
2014	108,196,947	107,208,410	99.09%	106,303,500	98.25%
2015	114,592,842	112,920,392	98.54%	112,587,467	98.25%
2016	125,776,671	124,403,343	98.91%	123,575,579	98.25%
2017	136,550,301	134,945,113	98.82%	134,160,671	98.25%
2018	144,189,516	142,974,210	99.16%	141,666,199	98.25%

Note: Collections do not include penalty and interest on delinquent taxes.

Source:
(1) City of Irving Annual Adopted Budget Book
(2) Dallas County Tax Office Collection Report

Schedule 8

Amount Collected in FY(2)	Percent Collected to Certified Levy	Percent Collected to Adj Levy	Collections/ Adjustments in Subsequent Years	Total Collections/ Adjustments to date	
				Amount	Percent of Levy
97,697,388	97.94%	99.91%	6,401	97,703,789	99.92
94,607,281	98.16%	99.89%	9,558	94,616,839	99.90
96,343,911	98.90%	99.89%	7,330	96,351,241	99.90
98,969,145	100.01%	99.88%	19,419	98,988,564	99.90
103,079,275	99.46%	99.83%	58,570	103,137,845	99.89
106,917,355	98.82%	99.73%	31,261	106,948,616	99.76
112,551,833	98.22%	99.67%	43,750	112,595,583	99.71
123,945,407	98.54%	99.63%	84,428	124,029,835	99.70
134,248,640	98.31%	99.48%	266,326	134,514,966	99.68
142,140,339	98.58%	99.42%	N/A	142,140,339	99.42

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities							
Fiscal Year	General Obligation Bonds (1)	Special Revenue Bonds (1)	Revenue Bonds	Notes Payable	Lease Payable	Total Governmental Activities		
2009	205,976,001	151,268,362	-	3,320,000	-	360,564,363		
2010	209,201,645	157,665,244	-	2,820,000	1,305,912	370,992,801		
2011	207,030,162	154,037,136	-	2,300,000	1,880,847	365,248,145		
2012	213,066,951	153,614,008	29,095,000	1,760,000	1,389,789	398,925,748		
2013	216,145,596	164,987,535	28,945,000	1,200,000	887,024	412,165,155		
2014	221,062,158	224,932,843	28,790,000	615,000	1,123,263	476,523,264		
2015	216,579,200	224,103,254	28,630,000	-	455,437	469,767,891		
2016	225,813,843	229,985,493	27,490,000	-	2,229,161	485,518,497		
2017	238,072,700	259,742,151	26,295,000	-	5,667,267	529,777,118		
2018	266,356,036	249,007,801	25,045,000	-	5,709,736	546,118,573		
	Water/ Sewer Revenue Bonds (1)	Water Supply Obligations	Municipal Drainage Revenue Bonds (1)	Total Business-Type Activities	Total Primary Government	Percentage of Effective Buying Income (2)	Per Capita (2)	
2009	185,908,000	19,025,788	-	204,933,788	565,498,151	10.26%	2,664.30	
2010	175,418,859	18,750,793	2,110,762	196,280,414	567,273,215	10.22%	2,654.53	
2011	194,140,387	18,466,852	2,030,762	214,638,001	579,886,146	10.55%	2,672.66	
2012	195,002,943	18,173,675	1,952,366	-	398,925,748	7.00%	1,807.56	
2013	198,495,880	17,870,961	4,576,383	220,943,224	633,108,379	10.72%	2,867.99	
2014	182,996,266	17,558,399	4,392,873	204,947,538	681,470,802	11.13%	3,001.68	
2015	179,303,407	17,235,670	4,204,485	200,743,562	670,511,453	10.87%	2,932.44	
2016	180,361,770	16,902,442	4,006,229	201,270,441	686,788,938	10.55%	2,972.60	
2017	185,412,837	16,558,375	3,808,108	205,779,320	735,556,437	10.58%	3,133.89	
2018	184,315,772	16,203,114	3,605,120	204,124,006	750,242,579	10.30%	3,159.05	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Net of premiums
(2) See the schedule 14 on Demographic and Economic Statistics for Effective Buying Income and population data.

Ratios of Net General Bonded Debt
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Taxable Assessed Value (2)	General Bonded Debt	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Taxable Value of Property	Net General Bonded Debt Per Capita
2009	212,250	18,206,358,651	205,976,001	4,644,823	201,331,178	1.11%	948.56
2010	213,700	17,827,599,240	209,201,645	6,696,558	202,505,087	1.14%	947.61
2011	216,970	17,076,314,590	207,030,162	7,310,659	199,719,503	1.17%	920.49
2012	220,699	16,706,465,788	213,066,951	8,114,949	204,952,002	1.23%	928.65
2013	220,750	17,355,331,481	216,145,596	8,518,968	207,626,628	1.20%	940.55
2014	227,030	18,074,999,485	221,062,158	8,154,486	212,907,672	1.18%	937.80
2015	228,653	19,288,730,521	216,579,200	8,208,138	208,371,062	1.08%	911.30
2016	231,040	21,170,959,615	225,813,843	8,262,713	217,551,130	1.03%	941.62
2017	234,710	22,984,396,772	238,072,700	9,931,310	228,141,390	0.99%	972.01
2018	237,490	24,270,243,319	266,356,036	10,894,175	255,461,861	1.05%	1,075.67

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Sources: (1) Population estimates provided by the North Central Texas Council of Governments
(2) Dallas Central Appraisal District

CITY OF IRVING, TEXAS **Schedule 11**

Computation of Direct and Overlapping Debt
September 30, 2018
(Unaudited)

Jurisdiction	Net Debt Outstanding Amount	As of	Percent Applicable to City of Irving (1)	Amount applicable to City of Irving
Carrollton-Farmers Branch ISD	$ 155,570,000	9/30/2018	33.69%	52,411,533
Coppell ISD	322,504,968	9/30/2018	31.98%	103,137,089
Dallas County	172,265,000	9/30/2018	9.66%	16,640,799
Dallas County Community College District	224,030,000	9/30/2018	9.66%	21,641,298
Dallas County Hospital District	687,775,000	9/30/2018	9.66%	66,439,065
Dallas County Utility Reclamation Dist.	196,675,000	9/30/2018	99.22%	195,140,935
Dallas County Schools	36,600,000	9/30/2018	9.66%	3,535,560
Grand Prairie ISD	499,730,000	9/30/2018	4.11%	20,538,903
Grapevine-Colleyville ISD	415,917,406	9/30/2018	9.48%	39,428,970
Irving Flood Control District #1	5,330,000	9/30/2018	92.91%	4,952,103
Irving ISD	428,970,000	9/30/2018	93.68%	401,859,096
Dallas County Flood Control District #1	24,595,000	9/30/2018	96.51%	23,736,635
Total Net Overlapping Debt				949,461,985
City of Irving Direct Debt (2)	546,118,573	9/30/2018	100.00%	546,118,573
Total direct and overlapping debt				$ 1,495,580,558

** Actual Valuation before Exemptions

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is within the City's boundaries and dividing by the entities' total taxable assessed value.
Source: Hilltop Securities and Municipal Advisory Council of Texas

(2) Amount represents outstanding GO bonds net of premiums, Special Revenue Bonds net of premiums, Revenue bonds and Capital leases payable reflected in the Governmental Activities.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Irving. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF IRVING, TEXAS **Schedule 12**

Computation of Legal Debt Margin
September 30, 2018
(Unaudited)

Article XI, Section 5 of the State of Texas Constitution states in part:

> "...no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city."

As a home rule city, the City of Irving is not limited by law in the amount of debt it may issue. The City's Charter (Article 5, Section 2) states:

> "The City Council shall have the power and it is hereby authorized and made its duty to levy annually for general purposes and for the purpose of paying interest and providing the sinking fund on the bonded indebtedness of the City of Irving now in existence or which may hereafter be created an ad valorem tax on all real, personal or mixed property within the territorial limits of said City and upon all franchises granted by the City to any individual or corporation of not exceeding a total of one dollar and fifty cents ($1.50) on the One Hundred Dollars ($100) assessed valuation of said property."

The tax rate for fiscal 2018 was established at $.5941 per $100 of assessed valuation with an assessment ratio of approximately 84.9%. The assessment ratio of 84.9% is attributable to old age, disability and homestead exemptions aggregating 5.4% and agricultural tax abatement and other tax-exempt property aggregating 8.9%.

CITY OF IRVING, TEXAS

Schedule 13

Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Year Ended September	Gross Revenue (1)	Operating Expense (2)	Pension & OPEB Expense (3)	Net Available Revenue	Average Annual Debt Service (4)	Times Coverage (5) / (6)	Maximum Annual Debt Service (4)	Times Coverage (5) / (6)
			WATER AND SEWER BONDS					
2009	76,854,060	50,304,204	NA	26,549,856	12,732,594	2.09 / NA	18,511,491	1.43 / NA
2010	75,762,173	52,034,519	NA	23,727,654	12,435,135	1.91 / NA	18,511,491	1.28 / NA
2011	85,541,196	48,800,685	NA	36,740,511	12,753,787	2.88 / NA	20,271,009	1.81 / NA
2012	84,497,101	46,904,560	NA	37,592,541	12,317,126	3.05 / NA	20,691,016	1.82 / NA
2013	85,308,445	50,249,928	NA	35,058,517	12,551,322	2.79 / NA	21,956,960	1.60 / NA
2014	82,520,011	55,046,968	NA	27,473,043	12,056,504	2.28 / NA	21,956,960	1.25 / NA
2015	84,947,278	61,870,294	3,298,895	26,375,879	11,189,219	2.36 / 2.06	21,559,468	1.22 / 1.07
2016	92,741,269	62,500,876	891,179	31,131,572	11,035,695	2.82 / 2.74	22,353,936	1.39 / 1.35
2017	107,483,122	65,125,207	1,211,612	43,569,527	11,254,766	3.87 / 3.76	23,239,207	1.87 / 1.82
2018	112,051,868	64,688,139	377,316	47,363,729	11,226,187	4.22 / 4.19	23,765,613	1.99 / 1.98
			MUNICIPAL DRAINAGE BONDS (7)					
2010	5,221,112	4,538,442	NA	682,670	153,092	4.46 / NA	155,893	4.38 / NA
2011	5,252,845	4,130,626	NA	1,122,219	153,070	7.33 / NA	155,893	7.20 / NA
2012	5,247,869	4,032,971	NA	1,214,898	153,135	7.93 / NA	155,893	7.79 / NA
2013	5,255,163	4,122,266	NA	1,132,897	325,286	3.48 / NA	353,036	3.21 / NA
2014	5,534,199	4,324,107	NA	1,210,092	323,995	3.73 / NA	353,036	3.43 / NA
2015	5,244,045	5,378,281	733,000	598,764	322,709	1.86 / -0.42	353,036	1.70 / -0.38
2016	5,242,440	4,361,804	99,020	979,656	320,925	3.05 / 2.74	350,705	2.79 / 2.51
2017	5,274,449	4,335,750	134,624	1,073,323	319,217	3.36 / 2.94	350,705	3.06 / 2.68
2018	5,305,713	3,837,828	155,424	1,467,885	317,340	4.63 / 4.14	350,705	4.19 / 3.74

Notes:
(1) Gross Revenue includes both receipts of pro rata and investment income as defined in revenue bond ordinances.
(2) As defined in revenue bond ordinances, excludes depreciation and debt service expense. Beginning FY18, also excludes pension and OPEB expense- amounts are based on actuarial valuation.
(3) GASB 68 implemented in FY15 requires the recognition of pension expense based on actuarial valuations. Pension expense is reflected in personnel services in financials and is broken out separately in this schedule for computation of revenue times coverage. GASB 75 implemented in FY18 requires the recognition of OPEB expense based on actuarial valuations. In FY18, pension expense and OPEB expense have been brokent out in the statement of net position.
(4) As defined in revenue bond ordinances, average annual principal and interest payment, and maximum annual principal and interest of all bonds outstanding at end of fiscal year.
(5) Before the issuance of parity debt, bond covenants typically require a revenue coverage of 1.25 times the average annual debt service and 1.10 times maximum annual debt service. Net Available Revenues used in this revenue times coverage calculation does not include pension expense.
(6) Net Available Revenues used in this revenue times coverage calculation includes pension and OPEB expense
(7) Initial Municipal Drainage revenue bonded debt issued in Fiscal Year 2010.

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Effective Buying Income (EBI) (in thousands of dollars) (2)	Per Capita Income (7)	Median Household EBI (3)	Number of House-holds (3)	Median Age (4)	School Enrollment (5)	Unemploy-ment Rate (6)
2009	212,250	5,510,859	25,964	46,574	89,292	32	46,255	6.8%
2010	213,700	5,548,507	25,964	47,007	91,128	32	52,812	8.0%
2011	216,970	5,494,548	25,324	47,269	91,367	31	45,992	7.7%
2012	220,699	5,700,876	25,831	47,266	91,694	31	57,889	5.8%
2013	220,750	5,905,946	26,754	48,005	92,452	31	56,525	5.4%
2014	227,030	6,122,999	26,970	49,407	93,311	31	54,869	5.1%
2015	228,653	6,166,771	26,970	50,810	83,099	32	53,582	3.6%
2016	231,040	6,508,166	28,169	50,942	82,817	32	53,876	3.7%
2017	234,710	6,953,988	29,628	61,362	84,684	32	58,099	3.2%
2018	237,490	7,281,918	30,662	61,362	85,407	32	58,933	2.9%

Sources:
(1) Official City Estimates, Census, and North Central Texas Council of Governments
(2) Calculated by multiplying population by per capita income divided by 1,000
(3) North Central Texas Council of Governments
(4) U. S. Census Bureau, 2000 Census * Median Age only available during census years
(5) Irving I. S. D., Carrollton-Farmers Branch I. S. D., Coppell I. S. D., North Lake Community College, and University of Dallas
(6) TAMU Real Estate Data Center; Tracer - October 2017
(7) Texas Hometown Locator

IRVING
TEXAS

CITY OF IRVING, TEXAS

Schedule 15

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2018 (2)				2009 (1)		
Employer	Employees	Rank	Percent of Total City Employment	Employer	Employees	Rank	Percent of Total City Employment
Citigroup, Inc	7,500	1	3.44%	Citigroup, Inc.	5,000	1	1.97%
Verizon Communications	3,260	2	1.50%	Citicorp Credit Company	3,795	2	1.50%
Irving Mall (WP Glimcher)	2,100	3	0.96%	Verizon	3,000	3	1.18%
DFW International Airport	1,700	4	0.78%	Nokia	2,500	4	0.99%
Allstate Insurance	1,650	5	0.76%	Allstate Insurance	2,000	5	0.79%
Pioneer Natural Resources	1,400	6	0.65%	Central Freight Lines	2,000	6	0.79%
Microsoft Corp	1,351	7	0.62%	Abbott Laboratories	1,500	7	0.59%
Neiman Marcus Direct	1,339	8	0.61%	Citigroup	1,430	8	0.56%
Health Management Systems (HMS)	1,299	9	0.60%	Zale Corporation	1,351	9	0.53%
7-Eleven	800	10	0.37%	Microsoft Corporation	1,200	10	0.47%
Total	22,399		10.28%		23,776		9.37%

Source: (1) North Central Texas Council of Governments & Texas Workforce Commission
(2) Greater Irving - Las Colinas Chamber of Commerce

CITY OF IRVING, TEXAS

Full-time Equivalent City Government Employees
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2009	2010	2011	2012	2013
By Functions					
General Government	220.00	196.00	189.00	170.00	163.00
Police & Code Enforcement	623.00	623.00	619.00	620.00	614.00
Fire	318.00	318.00	318.00	318.00	318.00
Environmental Services	106.00	106.00	104.00	104.00	110.00
Parks and Recreation	321.00	339.00	350.00	353.00	330.00
Library Services	115.00	113.00	113.00	113.00	113.00
Court Services	42.00	41.00	41.00	41.00	42.00
Community Development	80.00	38.00	73.00	83.00	93.00
Public Works	292.00	359.00	375.00	349.00	382.00
Community Services	77.00	79.00	75.00	86.00	74.00
Total Employees by Function	2,194.00	2,212.00	2,257.00	2,237.00	2,239.00
By Departments					
City Secretary's Office	12.00	12.00	11.00	11.00	10.00
City Manager's Office	9.00	5.00	5.00	4.00	11.00
Police & Code Enforcement	623.00	623.00	616.00	620.00	614.00
Fire	318.00	318.00	318.00	318.00	318.00
Public Health and Env. Services	106.00	106.00	104.00	104.00	110.00
Parks and Recreation	321.00	379.00	350.00	353.00	330.00
Finance	26.00	20.00	34.00	38.00	22.00
Inspections	36.00	28.00	27.00	31.00	29.00
Human Resources	27.00	24.00	14.00	9.00	18.00
Municipal Court Services	42.00	41.00	41.00	41.00	42.00
Library Services	115.00	113.00	113.00	113.00	113.00
Planning and Development	4.00	10.00	13.00	6.00	18.00
City Attorney	17.00	17.00	17.00	17.00	18.00
Public Works	292.00	332.00	375.00	375.00	382.00
General Services	87.00	21.00	39.00	19.00	45.00
Information Technology	42.00	39.00	42.00	46.00	39.00
Community Affairs	36.00	33.00	30.00	24.00	33.00
Housing and Human Services	11.00	13.00	13.00	13.00	11.00
Irving Convention and Visitors Bureau	40.00	46.00	46.00	46.00	46.00
Irving Arts Center	30.00	32.00	49.00	49.00	30.00
Total Employees by Department	2,194.00	2,212.00	2,257.00	2,237.00	2,239.00
By Fund					
General	1,844.00	1,764.00	1,792.00	1,771.00	1,767.00
Water and Sewer	163.00	168.00	165.00	160.00	161.00
Solid Waste Services	0.00	90.00	89.00	89.00	93.00
Garage	28.00	19.00	19.00	19.00	25.00
Grants	14.00	18.00	16.00	16.00	12.00
Hotel Occupancy Tax	74.00	81.00	98.00	98.00	79.00
Municipal Court Funds	1.00	1.00	1.00	1.00	1.00
Tax Increment Financing	1.00	0.00	0.00	0.00	0.00
Recreation Centers	34.00	35.00	41.00	41.00	49.00
Municipal Drainage Utility	35.00	36.00	36.00	42.00	52.00
Total Employees by Fund	2,194.00	2,212.00	2,257.00	2,237.00	2,239.00

Source: Current and prior years City of Irving Annual Operating Budget documents

Fiscal Year				
2014	2015	2016	2017	2018
158.00	204.00	198.00	199.00	154.00
626.00	606.00	608.00	614.00	638.00
318.00	369.00	369.00	369.00	372.00
114.00	116.00	116.00	116.00	97.00
357.00	371.00	371.00	372.00	370.00
107.00	102.00	102.00	102.00	102.00
42.00	37.00	37.00	37.00	37.00
92.00	89.00	89.00	89.00	91.00
377.00	320.00	322.00	324.00	373.00
72.00	97.00	97.00	99.00	102.00
2,263.00	2,311.00	2,309.00	2,321.00	2,336.00
10.00	9.00	9.00	9.00	9.00
16.00	20.00	20.00	20.00	20.00
626.00	612.00	608.00	614.00	638.00
318.00	369.00	369.00	369.00	372.00
114.00	116.00	116.00	116.00	97.00
357.00	371.00	371.00	372.00	374.00
34.00	29.00	29.00	29.00	29.00
31.00	31.00	31.00	31.00	33.00
15.00	15.00	15.00	17.00	18.00
42.00	37.00	37.00	37.00	37.00
107.00	102.00	102.00	102.00	102.00
9.00	9.00	9.00	9.00	9.00
17.00	17.00	17.00	17.00	17.00
377.00	320.00	322.00	324.00	326.00
33.00	73.00	73.00	73.00	74.00
39.00	35.00	35.00	33.00	34.00
30.00	33.00	33.00	33.00	32.00
11.00	11.00	11.00	11.00	11.00
46.00	43.00	43.00	43.00	43.00
31.00	59.00	59.00	62.00	61.00
2,263.00	2,311.00	2,309.00	2,321.00	2,336.00
1,800.00	1,867.00	1,864.00	1,872.00	1,888.00
157.00	156.00	157.00	160.00	163.00
97.00	97.00	97.00	97.00	97.00
26.00	27.00	27.00	27.00	27.00
12.00	18.00	19.00	19.00	19.00
80.00	105.00	105.00	109.00	108.00
0.00	0.00	0.00	1.00	1.00
0.00	0.00	0.00	0.00	0.00
50.00	0.00	0.00	0.00	0.00
41.00	41.00	40.00	36.00	33.00
2,263.00	2,311.00	2,309.00	2,321.00	2,336.00

CITY OF IRVING, TEXAS

Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2009	2010	2011	2012	2013
Functions					
Police					
Reported Index Crimes	9,181	8,595	7,598	6,827	6,833
Arrests (Juvenile and Adult)	14,515	14,515	12,586	12,564	11,710
Fire					
Responses (Fire and Ambulance)	31,400	31,400	32,946	20,262	21,043
Inspections	9,300	9,916	11,728	13,136	12,315
Environmental Services					
Tonnage Collected by Sanitation Crews	50,000	50,000	64,421	62,607	68,172
Annual Tons Recycled	2,500	2,500	12,395	12,229	12,298
Health Classes, Events, Presentations	85	85	185	237	229
Animals Handled by Shelter	8,400	8,000	6,500	6,146	7,829
Parks and Recreation					
Customer Svc Rating	95.00%	97.00%	97.00%	98.00%	98.00%
Rec./Athletic/Aquatic Program Participation	275,500	360,500	530,973	604,014	675,356
Park Elements Certified	95.00%	95.00%	95.00%	95.00%	95.00%
Library Services					
Library Visitors	1,051,555	1,031,136	1,100,000	959,181	868,821
Library Program Attendance	87,575	85,146	71,732	55,154	67,083
Court Services					
Traffic Violations Filed with Court	73,788	73,788	72,262	70,902	68,473
Community Development					
Subdivision Plats Filed	58	37	47	41	75
Building Inspection Plans Reviewed	4,917	4,077	4,822	6,385	5,285
Building Permits Issued	14,931	14,294	16,552	15,684	14,844
Zoning Cases Filed	56	59	48	70	54
Public Works					
Street Repair: Tons of Asphalt/Crew Hour	3.00	3.00	3.00	3.10	3.10
In House Design and Contract Admin.	$ 11,000,000	$ 11,000,000	$ 8,800,000	$ 20,900,000	$ 16,323,440
Traffic Signals Maintained (City Maintained)	189	143	203	206	206
Gallons of Water Pumped (000s)	16,000,000	16,000,000	13,555,730	11,941,810	12,879,440
Drinking Water Samples	2,700	2,700	2,271	1,821	2,605
Wastewater Stoppages Cleared	250	250	937	971	952
Community Services					
Neighborhood Round Table Attendance	225	265	222	275	250
Partnership Fund Projects Completed	22	22	21	18	22
Arts Center Visual Art Exhibits	24	24	24	23	23
Arts Center Theater Performances	269	290	267	232	186

Source: Current and prior years City of Irving Annual Operating Budget documents statistical section

Schedule 17

Fiscal Year				
2014	2015	2016	2017	2018
6,705	6,584	6,936	6,884	5,767
10,264	8,035	7,448	7,193	7,824
23,495	24,948	26,169	25,761	25,787
14,064	16,502	14,046	15,500	14,812
55,415	47,775	58,113	68,811	67,284
10,570	3,147	3,242	13,361	13,314
169	397	154	9	12
7,706	8,062	7,819	7,480	7,363
99.00%	99.00%	98.00%	99.00%	98.00%
637,203	684,115	685,503	613,921	659,890
95.00%	100.00%	100.00%	100.00%	100.00%
787,615	808,299	868,688	856,566	770,461
68,574	68,722	75,502	80,326	76,076
48,088	50,462	41,018	46,244	48,693
67	88	69	57	59
5,087	5,224	6,651	5,933	7,112
12,300	13,143	14,017	14,726	15,842
84	87	107	101	94
3.10	3.00	3.00	3.00	3.00
$ 13,061,144	$ 36,545,971	$ 26,226,590	$ 27,345,156	$ 24,108,490
206	206	206	206	206
12,412,954	11,467,400	12,424,100	13,689,570	14,327,480
2,432	2,265	2,842	3,300	4,431
1,055	1,202	950	811	711
271	198	144	145	170
22	20	9	4	18
27	18	24	25	26
217	519	545	510	610

CITY OF IRVING, TEXAS

Capital Asset Statistics by Function
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2009	2010	2011	2012	2013
Functions					
Police					
Police Vehicles	238	216	199	253	341
Fire					
Fire Fighting Units	24	26	26	22	22
Ambulances	12	12	12	12	12
Parks and Recreation					
Developed Park Acreage	1,451	1,451	1,451	1,451	1,796
Number of Parks	60	81	81	81	81
Public Works					
Miles of Streets	725	725	725	850	850
City Maintained Street Lighting	1,250	1,243	1,243	1,243	1,243
Water Main Miles	733	733	688	708	699
Fire Hydrants	5,558	5,558	5,558	5,548	5,654
Sewer System Miles	741	1,051	630	658	645
Meters in Service	43,757	43,311	43,311	44,675	45,230

Source: Current and prior years City of Irving Annual Operating Budget documents statistical section

Schedule 18

Fiscal Year				
2014	2015	2016	2017	2018
264	244	267	267	267
22	15	15	17	17
12	8	9	10	10
1,796	1,662	1,668	1,668	1,695
81	81	81	81	85
850	850	850	550	550
1,442	1,442	1,442	1,600	1,600
702	710	715	716	849
5,715	5,654	5,831	5,952	6,023
650	656	659	658	737
45,764	44,000	46,966	47,774	48,495

IRVING
TEXAS